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Chairman: Mr. Chowdhury (Bangladesh)

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The meeting was called to order at 10.10 a.m.

General debate *(continued)*

1. **Mr. Baali** (Algeria) said that the failure of the Cancún negotiations on trade and development issues would undoubtedly affect the work of the Second Committee, however, it must move on in preparation for the negotiations in the next Doha round. The international community was increasingly determined to strengthen international cooperation, as evidenced in the commitments undertaken at the International Conference on Financing for Development and the World Summit on Sustainable Development. Along with the Millennium Summit, those events provided a global framework for future collective action. The response of the international community to the challenges of development and development financing, the fight against poverty and disease, sustainable development and globalization had already been decided at the highest level. The time had come to translate into reality the development objectives which the heads of State and government had undertaken to accomplish. Thus, 2003 had marked the beginning of a new era, namely, the era of implementation. The development of the countries of the South and their integration into the world economy should not be contingent upon their continued accommodation to the unfair and inequitable rules that governed world economic relations.

2. The right to development should be a central concern in efforts to consolidate international cooperation through a renewed North-South partnership based on shared responsibilities and benefits. A special effort must be made to increase official development assistance, provide debt relief, open up markets to products from the South, increase flows of foreign direct investment to developing countries, especially in Africa, and reform the international financial architecture in order to allow for greater transparency and increased participation by the developing countries.

3. The current session of the General Assembly marked the first anniversary of the United Nations Declaration on a New Partnership for Africa's Development (NEPAD) and the adoption of NEPAD as the general framework for international efforts to contribute to the development of Africa. The General Assembly would have an opportunity to measure the progress achieved in the implementation of the new partnership and decide on further action to consolidate international support for African development. Such action must be carried out with due regard for the principles of universality, neutrality and objectivity, so as to avoid interfering in the domestic affairs of the countries concerned.

4. Efforts to improve the living conditions of the peoples of the world must be carried out within a context of sustainable development. Access to energy, to drinking water and to sanitation services would be crucial in the fight against poverty and would need to be given top priority if the objectives of the Millennium and of the Johannesburg Plan of Implementation were to be achieved.

5. The problem of desertification and drought had not yet been adequately dealt with by the international community. The Convention to Combat Desertification and Drought was a useful tool, but it could not be implemented without substantial financial and technical resources and coordinated collective action. The Conference of the Parties to the Convention had recently decided that the Global Environment Facility should become a mechanism for financing the Convention. His delegation welcomed that decision and trusted that the declaration of 2004 as the International Year of Deserts and Desertification would further contribute to raising awareness among the international community of the seriousness of the phenomenon and the threat it represented for the planet.

6. The lack of financial resources had seriously hampered the development capacity of the developing countries. The Millennium Declaration and the Monterrey Consensus provided a frame of reference for a responsible partnership that could promote growth and sustainable development. The Johannesburg Summit had confirmed the commitment of the international community to work for sustainable development so as to meet the needs of present and future generations, while protecting the environment.

7. **Mr. Andjaba** (Namibia), stressing the inseparable link between international security and economic development, said that the agreements reached at the sixth ordinary session of the Conference of the Parties to the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification,

particularly in Africa, held in Havana, and the International Ministerial Conference on Transit Transport Cooperation, held in Almaty, should be implemented within the framework of General Assembly resolution 57/270 B on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields. His delegation looked forward to the review of the implementation of the Millennium Development Goals in 2005.

8. The failure by the Fifth Ministerial Conference of the World Trade Organization, held in Cancún, to reach agreement heightened the responsibility of the Second Committee to address macroeconomic policy issues. His delegation hoped that the Cancún Conference would be viewed as a "lesson learned" and that the Ministerial Declaration adopted at the Fourth Ministerial Conference, would form the basis for further progress at the eleventh session of the United Nations Conference on Trade and Development, to be held in Brazil in 2004. The international community possessed the capacity and resources to combat poverty and HIV/AIDS; the only thing lacking was political will. His delegation looked forward to the forthcoming World Summit on the Information Society, which should help to bridge the digital divide and facilitate technology transfer to developing countries. It also looked forward to participating in the high-level dialogue of the General Assembly on financing for development.

9. Namibia's earnest attempts to implement the Millennium Development Goals had been hindered by the HIV/AIDS pandemic, and, more recently by natural disasters such as drought and floods. His delegation was concerned that, according to recent data, Africa was not likely to achieve the Millennium Development Goals, particularly that of halving extreme poverty by 2015. He reiterated the need for more generous assistance from the international community, and for a holistic approach to their implementation; selective implementation must not be tolerated. Namibia would continue to work to enhance international cooperation through partnership. In particular, as a member of the African Union, it would urge the international community to deliver on promises made in the context of the New Partnership for Africa's Development (NEPAD).

10. **Mr. Drobnjak** (Croatia) said that "soft threats", such as environmental problems, contagious diseases, economic dislocation, crime, domestic violence, corrupt management and simple poverty, highlighted the importance of achieving the Millennium Development Goals. He welcomed the report of the Secretary-General on the implementation of the United Nations Millennium Declaration (A/58/323), particularly the conclusions concerning the need for stronger international solidarity and responsibility, together with greater respect for decisions reached collectively (para. 91). He also welcomed General Assembly resolution 57/270 B, which provided a useful point of departure for re-examining and revitalizing the work of the General Assembly and its committees, the Economic and Social Council and its subsidiary bodies, the specialized agencies, funds and programmes. To that end, full and constant cooperation between Member States and the Secretariat would be essential.

11. The Committee should take into account the Doha Development Agenda, the International Conference on Financing for Development and the World Summit on Sustainable Development and should give political impetus and support to new partnerships with the ultimate aim of contributing to a new form of multilateralism.

12. Despite the disappointment surrounding the breakdown of trade negotiations in Cancún, it was to be hoped that the momentum for real action towards a more transparent, rule-based and equitable multilateral trading system would be revived at subsequent negotiations of the World Trade Organization (WTO). His delegation strongly supported current efforts by the Bretton Woods institutions to encourage the participation of developing countries and countries with economies in transition in their decision-making processes. It welcomed the report of the Secretary-General on implementation of and follow-up to commitments and agreements made at the International Conference on Financing for Development (A/58/216) and particularly the finding that a number of developing and transition economies had increased their efforts to make this decision-making processes more participatory and inclusive of civil society, the private sector and local communities (para.11).

13. Foreign direct investment and official development assistance were sorely needed to complement national efforts. In that connection, the 5 per cent increase in official development assistance in

2002 was indeed heartening. Noting that economic prosperity was a deterrent to extremism, terrorism and crime, he welcomed the increasingly strong role played by the Economic and Social Council and called for further development of cooperation between the Council and the Bretton Woods institutions through their special high-level meetings held every spring, and between the Council and WTO. Focusing on one or two topics from the Monterrey Consensus would lead to more effective implementation of the commitments undertaken at the International Conference on Financing for Development. He commended the Council's holistic approach to peace-building and the creation of stable democracies, blending capacity-building, the strengthening of existing institutions and economic and financial recovery and said that the Council's Ad Hoc Advisory Group on Guinea-Bissau and its Ad Hoc Advisory Group on Burundi were examples of appropriate mechanisms to that end. His delegation hoped that the Committee would support the Council's efforts to promote development in post-conflict situations.

14. True partnerships, the involvement of all relevant actors and the effective mobilization of women in development would be crucial to mobilizing needed resources. With regard to the Johannesburg Plan of Implementation, he stressed the need to integrate all three pillars of sustainable development in overall development strategy and to review the mechanisms for monitoring progress. In that connection, his delegation welcomed the new programme of work of the Commission on Sustainable Development, aimed at simultaneous implementation and assessment.

15. **Mr. Requeijo Gual** (Cuba) said that, one year after the International Conference on Financing for Development and the World Summit on Sustainable Development, the world had not changed. The rich continued to grow richer and the poor continued to grow poorer. How could there be any hope for a better world when 30 per cent of the global gross domestic product was concentrated in a single country, and 94 per cent of hunger victims lived in developing countries?

16. Despite the promises made in Monterrey, the developed countries were allocating only 0.22 per cent of their gross national product to official development assistance, far short of their original commitment of 0.7 per cent. While they were expected to provide $53 billion in official development assistance in 2003, they would be collecting more than $350 billion in interest on external debt. Under those circumstances, external debt could only continue to grow. In Latin America alone, the external debt had increased from $5 billion in 1959 to $800 billion in 2003.

17. Worst of all, the Fifth Ministerial Conference of WTO had failed to respond to the pleas of developing countries to end subsidies on the products they exported, and to be given special and differential treatment. As a result, participation by third world countries in international trade had dropped below its 1980 level. Meanwhile, commodity prices were plummeting.

18. Of what significance was trade liberalization when, for four decades, his country had been denied the right to engage in free trade as a result of an ironclad and brutal economic, commercial and financial embargo imposed by the most powerful country in the world? How well regulated was the international trade system when a single country could apply extraterritorially the laws known as the "Toricelli" and "Helms-Burton Acts", which violated the sovereignty of third States and restricted trade with Cuba by firms in those countries? The United States even prevented its own companies from exporting food to Cuba and its citizens from travelling there. The forthcoming high-level dialogue on financing for development should establish a vital framework for pursuing dialogue between industrialized and developing countries, and among the United Nations, the Bretton Woods institutions and the World Trade Organization.

19. One of the Committee's most complex tasks during the current session will be consideration of its programme of work within the context of General Assembly resolution 57/270 B, a question to which his delegation attached great importance. Recalling the experience of the major international financial institutions, he expressed the hope that the results of that exercise would enable the Committee to continue its independent consideration of macroeconomic policy questions, without being forced to reflect the will of the major powers. In the forthcoming deliberations, his delegation would be focusing special attention on the preparations for the international meeting for a comprehensive review of the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, operational activities for development and the implementation of

the decisions taken at the World Summit on Sustainable Development.

20. **Mr. Talha** (Bangladesh) said that the present was a worrisome time: the flow of foreign direct investment was drying up and the poor were getting poorer.

21. Despite initial hopes that globalization would bring with it higher incomes and better standards of living, most of the developing world had been unable to fully integrate with the process. Innovative financial mechanisms were required to help the developing countries eradicate poverty and achieve sustained growth and sustainable development. The setback at Cancún warranted early resumption of the negotiations; a breakthrough would require courageous decisions and significant compromises. The international community's commitment to the Millennium Development Goals also required that the negotiations should be concluded successfully. Steps should be taken to prepare for negotiations in the next Doha round and the commitments made by the developed world should be honoured before new issues were taken up. His delegation was concerned to see the many tariff and non-tariff barriers that restricted market access to products from developing countries into the markets of developed countries.

22. His delegation was concerned about the status of implementation of the Brussels Programme of Action for the least developed countries. Those countries were trying to include the programmatic elements of the Brussels Programme in their national programmes.

23. Bangladesh identified with the problems of Africa and believed in the efficacy of South-South cooperation. It had built special bonds with many of the African nations through its participation in their peacekeeping and development efforts.

24. Bangladesh had come a long way since the early 1970s. Thanks to a mixture of sound macroeconomic policies, appropriate utilization of external assistance and innovative home-grown ideas such as microcredit and non-formal education. It now produced 26.8 million tons of food grains to feed its 130 million people and had reduced its population growth rate by one half over the past two decades. Gender mainstreaming was a major policy goal, and the overall health and education profile had been significantly raised. In the view of his delegation, development could only be achieved in a context of pluralism, liberalism, democracy, good governance, human rights and women's empowerment. While development must be primarily a national concern, it was the international community that must provide the global background and the enabling environment that was needed.

25. **Ms. Mohammed** (Kenya) said that the economic policies pursued by developed countries continued to adversely affect the performance of the economies of developing countries. The external debt situation of developing countries, continued to deprive governments of resources that might otherwise be invested in social services such as health, education and infrastructure development. Her delegation therefore called for sustainable solutions to the debt problem that would cater for all indebted countries. Over the years, official development assistance to developing countries had continued to decline in real terms. Donor countries should strive to meet the internationally agreed target of 0.7 per cent of GNP for official development assistance. Not enough had been done to increase the effective participation of developing countries in the Bretton Woods institutions. Her delegation hoped that the forthcoming General Assembly High-Level Dialogue on Financing for Development would support the sentiments of developing countries on that issue. International trade continued to benefit the most advanced industrial countries while the rest of the world accounted for a negligible percentage of the total. Market access for the products of developing countries should be improved, and donor countries should help developing countries improve their infrastructure so as to reduce production costs and enhance the competitiveness of their products in the world market.

26. The slow pace of implementation of the Millennium Development Goals and other internationally agreed goals was likely to cause delays in reaching the agreed target dates, particularly in sub-Saharan Africa. Her delegation called upon development partners to provide the requisite means of implementation, and underscored the importance of achieving a global partnership for development, as the necessary precondition for the fulfilment of all other goals.

27. The HIV/AIDS pandemic continued to pose a serious threat to the development efforts of African countries. At the national level, the Government of Kenya was implementing a strategic plan based on key priority areas, including prevention and advocacy, treatment, support and care, mitigation of the socio-

economic impact of the disease and research. As a result of those actions at the national level and with support from her country's development partners, the prevalence of HIV/AIDS had declined. Her Government called for more support from its bilateral and multilateral partners.

28. Poverty eradication was one of the major challenges facing the world. Kenya recognized that poverty reduction was key to the economic prosperity of the country and her Government was implementing an economic recovery strategy for wealth and employment creation. As the strategy would require large outlays of expenditure, external financing would be necessary to complement domestic resources. At the multilateral level, her delegation welcomed the establishment of the World Solidarity Fund to eradicate poverty and urged donor countries to contribute to the Fund so that it could begin operations immediately.

29. Corruption was another major challenge to many African countries, as it diverted scarce resources and diminished prospects for development. Given the transnational nature of corruption, anti-corruption strategies and measures were needed that would cut across international borders. Kenya was actively involved in regional and international initiatives to eliminate corruption and looked forward to the signing, later that year, of the United Nations Convention against Corruption. At the national level, her Government had enacted several laws to combat the vice, including the Anti-Corruption and Economic Crimes Act 2003 and the Public Officer Ethics Act 2003.

30. Environmental degradation continued to undermine the prospect of fighting poverty and realizing social and economic development in developing countries. Adequate financial and technical resources were needed, as well as capacity-building for developing countries, in order to ensure speedy implementation of the Johannesburg Plan of Implementation.

31. Her delegation called for more support for the New Partnership for Africa's Development (NEPAD) and welcomed the establishment of the Office of the Special Adviser on Africa. The latter should receive adequate funding so that it could fulfil its mandate in a timely and effective manner.

32. Her delegation was encouraged by the ongoing expansion of the United Nations Office at Nairobi (UNON), the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat). In line with the Headquarters rule, as reaffirmed by General Assembly resolution 54/248, Kenya would like to see all UNEP and UN-Habitat meetings held at UNON. With regard to financing of UNEP and UN-Habitat, her Government called for increased allocations from the United Nations regular budget to ensure predictable funding and better planning and implementation of their work programmes.

33. Finally, her delegation welcomed the outcome of the Ad Hoc Working Group of the General Assembly on the integrated and coordinated implementation of and follow-up to the major United Nations conferences and summits in the economic and social fields.

34. **Mr. Al-Haddad** (Yemen) said that the tragic deaths which had occurred as a result of the August attack on the United Nations headquarters in Baghdad should not deter the Organization from continuing its assistance to the Iraqi people. Yemen greatly appreciated the efforts of the Secretary-General to strengthen the pioneering role of the United Nations in promoting multilateral economic and social cooperation, as well as the important reform efforts under way. He commended the success of the Ad Hoc Working Group of the General Assembly on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields in dealing with the complex issues of its mandate and welcomed inter alia the idea of convening a major event in 2005 in order to review the progress achieved in implementing commitments made.

35. Although the latest indicators pointed to an improvement in the global economy, it would be unwise to be over-optimistic given the continuing adverse effect of geo-political tensions. Further reform of the structure of international finance and trade was urgently needed in order to promote development. Given that a strong economic revival was partly contingent on resolving the difficulties surrounding the world trade negotiations, the failure of the Fifth Ministerial Conference of the World Trade Organization (WTO) in Cancún had been disappointing. Interdependence was a fact and the furtherance of progress in the developing countries was a prerequisite to the achievement of a globalized economy and the guarantee of security and stability for

the world's inhabitants. The return to the negotiating table should therefore be based on recognition of those truths.

36. With reference to the high-level dialogue on financing for development, it was essential to move forward from general policy discussions and demonstrate political will by taking action to mobilize finance for development activities in the developing countries, deal with external debt questions and improve coordination among international monetary, financial and trade organizations.

37. His country was devoting a substantial portion of its budget to completing the infrastructure needed for the sustainable and comprehensive development that would ensure the economic and social well-being of the Yemeni people. It was also steadily accruing the benefits of a stronger political system based on the principles of democracy and party pluralism. In early 2003, parliamentary elections had been held and efforts to decentralize government were under way. All relevant sectors were presently engaged in the important task of preparing the country's third Human Development Report and care was being taken to ensure that all partners remained fully involved in the development process with a view to harmonizing Yemen's national programmes with the Millennium Development Goals, particularly in connection with the eradication of poverty.

38. **Mr. de Rivero** (Peru), speaking on behalf of the countries belonging to the Rio Group, said that although the Latin American countries had been following all the macroeconomic prescriptions for over a decade, the average per capita income of Latin America had increased by only 1.33 per cent. Poverty and indigence rates had remained practically constant since 1997. Moreover, flows of foreign investment to Latin America and the Caribbean had declined so much that the region was currently a net exporter of financial resources; interest payments and profits paid out accounted for US$ 15 billion. Unless income levels were improved, poverty was reduced and employment grew, democratic governance would be threatened by the increasing social demands of the population.

39. For all those reasons, the Heads of State of the 19 Latin American countries belonging to the Rio Group had decided in May 2003, that financial mechanisms should be established to strengthen democratic governance and fight poverty by attracting new resources for productive investment and job creation. Various mechanisms were being discussed by Government experts and would be discussed later by the Ministers of Economic Affairs of the Rio Group. It was to be hoped that in due course, the Group of Eight, the World Bank, the International Monetary Fund, the Inter-American Development Bank and the United Nations would consider ways to support those proposals, which were aimed at strengthening democratic governance in the region.

40. The Rio Group wished to express its concern at the outcome of the recent Ministerial Conference of the World Trade Organization at Cancún. The Rio Group supported and practised free trade, but considered that it was a two-way street. Improved market access for products from developing countries, elimination of agricultural subsidies on the part of developed countries and effective application of special and differential treatment for developing countries were essential if there was to be a symmetrical relationship in international trade. The Rio Group trusted that negotiations would be resumed in Geneva over the next few months and that such negotiations would be geared towards development.

41. It was important that General Assembly resolution 57/270 B should be implemented effectively, in order to ensure that there were regular reviews of the level of compliance with the commitments and goals adopted at the recent major conferences and summits, including the Millennium Summit, the International Conference on Financing for Development and the World Summit on Sustainable Development. Each of those conferences had concluded with a consensus, and all those consensuses together constituted the "great consensus" of the United Nations for the twenty-first century. That great consensus should be disseminated throughout the world. The Committee should work not only to publicize the consensus but also to ensure that the commitments contained therein were fully complied with.

42. **Mr. Nambiar** (India) said that the forecast economic recovery in the developed countries was proving weak owing to a variety of factors. Global trade growth of less than 2 per cent in 2002 compared poorly with the average rate of almost seven per cent in the 1990s. Flows of foreign direct investment had also contracted drastically, and the negative net transfer of resources in 2002 had been almost double the average annual levels of 1998-2002. While official

development assistance (ODA) had marginally increased it remained way below the target of 0.7 per cent. No durable solution had been found for the debt crisis of many developing countries, and the increased protectionist measures against their exports limited their capacity to achieve the Millennium Development Goals and their own poverty-alleviation targets.

43. The time limits set at Doha for resolution of implementation issues had been breached even before the Cancún meeting, which had failed to produce an agreement addressing the interests of the developing countries. Addressing those interests was an indispensable step towards more equitable globalization. The forthcoming High-Level Dialogue on Financing for Development would enable the General Assembly to assess the outcome of the Monterrey Conference, in particular the concern of all developing countries to achieve greater equity in economic relations and acquire a more powerful voice in decision-making.

44. Developing countries would make progress with regard to Johannesburg Plan of Implementation only when the developed countries fulfilled their commitments in that connection. The involvement of the private sector and civil society would help but was not a substitute for those commitments.

45. Under General Assembly resolution 57/270 B, the Second Committee had the important responsibility of improving it own programme of work as part of the overall reform of the United Nations, an issue on which his delegation was ready to work actively with others. The Committee would also have an important role in the preparations for the 2005 conference for review on the implementation of the Millennium Declaration. The Millennium Summit had recognized the opportunities offered by information and communication technologies (ICT). The forthcoming World Summit on the Information Society should focus on how to achieve ICT for all and harness ICT to assist the developing countries.

46. India supported the comprehensive review of the implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States; the review ought to result in increased support for the Programme's implementation. The implementation of the Almaty Programme of Action on transit transport cooperation required active cooperation among landlocked countries, transit developing countries and their developed-country partners. The General Assembly should keep the Programme's implementation under review.

47. The World Bank had estimated that the developing countries would need an additional $50 billion a year in ODA in order to achieve the Millennium Development Goals. As the Secretary-General had pointed out at the beginning of the session, achievement of the Goals would require a collective response by the international community. India hoped that such a response would be forthcoming.

48. **Mr. Laurin** (Canada) said that in the spirit of the reform of the United Nations and the calls of the Secretary-General and the General Assembly for better focus in the work of the Second Committee, the delegations of Andorra, Australia, Canada, Iceland, Liechtenstein, Norway, San Marino and Switzerland had decided to speak under individual items rather than in the general debate. That approach should lead to a more focussed and coherent discussion and would make best use of the time available. Other delegations were encouraged to do likewise. The Chairman's proposals on improvement of the Committee's working methods would also contribute to its effectiveness and efficiency.

49. **Mr. Djumala** (Indonesia) said that the adverse effects of the slow growth of the world economy on the attainment of the Millennium Development Goals had been made worse by the failure of the Cancún meeting, in particular the failure of the developed countries to make a political commitment to the Doha Development Agenda. The General Assembly must evaluate the implementation of all internationally agreed development goals and provide the necessary strategic political guidance in the light of the Millennium Declaration, the Johannesburg Plan of Implementation, and the Monterrey Consensus. Indonesia agreed with the conclusion reached by the Secretary-General in his report on the implementation of the Millennium Declaration (A/58/323) that the international community now had the resources to eradicate human poverty: it must redouble its efforts to use those resources, and donor countries in particular should do more to assist the developing countries.

50. The measures adopted by the Commission on Sustainable Development to expedite the implementation of the Johannesburg Programme of Implementation were welcome, as were the efforts to

improve the inter-agency follow-up mechanisms. The United Nations system must do what was needed to achieve the targets falling within their mandates.

51. His delegation noted that a portion of the $16 billion committed at Monterrey had already been channelled to certain sectors, and that there had been a slight but welcome increase in ODA. Much more was needed and he urged the developed countries to meet the 0.7 per cent target. It had also been agreed at Monterrey that the interest of developing countries should be placed at the heart of the WTO work programme, for an equitable trading system was essential to development; for that to happen, the products of developing countries must be given greater access to developed markets.

52. His delegation believed that the Committee should focus on the implementation of the outcomes of all the relevant international conferences. Such implementation must be based on collaboration between the Economic and Social Council, the Second Committee and the General Assembly, as specified in resolution 57/270 B. The present session must also continue the reform of the General Assembly's work programme, but the reform must not result in the downgrading of any agenda items crucial to the developing countries. The alarm bell sounded at Cancún was a reminder that development goals could never be attained without a commitment to address the plight of poor human beings.

53. **U Win Mra** (Myanmar) said that the global economic outlook was far from satisfactory and that, if the present rate of progress continued the Millennium Development Goals might never be attained. The breakdown of the Cancún negotiations served the interests of neither the developing countries nor the developed States. Negotiations on the Doha Development Agenda must be restarted and trust in WTO must be rebuilt. An important consensus had been reached at Monterrey on the financing of development, and the forthcoming High-Level Dialogue was welcome. But substantial increases in ODA and a drastic reduction in developing-country debt remained to be seen. Myanmar urged the developed countries to fulfil the commitments made to the developing countries.

54. The Commission on Sustainable Development had reached an encouraging agreement on the implementation of the Johannesburg Plan of Implementation and should play an important part in that implementation. The Myanmar Government was committed to implementing its own Agenda 21. It was a party to most of the international environment conventions and had recently acceded to the Kyoto Protocol.

55. The implementation of the Brussels Programme of Action for the Least Developed Countries was far from satisfactory; its full implementation would help the least developed countries enjoy the benefits of globalization. As a transit country, Myanmar was ready to cooperate with its landlocked neighbours under the Almaty Programme of Action on transit transport cooperation.

56. Attainment of the Millennium Development Goals was compatible with Myanmar's national economic development goals. The Government had adopted a 30-year plan to improve rural roads and had designated the 2002-2003 financial year as the Year of Clean Water and Rural Roads; public donations had made a substantial contribution to the water-supply projects. In that connection, the work of UNDP under the Myanmar Human Development Initiative Programme covered only 3 per cent of the rural population and required more resources.

57. The inter-related problems of international peace and security, economic and social development, and environmental protection required a balanced approach, with proportionate resources allocated to economic and social development. His delegation welcomed the General Assembly's decision to review in 2005 the implementation of the commitments made in the Millennium Declaration. The Millennium Development Goals were the best hope for the world's poor and could be achieved if the present momentum was maintained.

58. **Ms. Ndhlovu** (South Africa)said that the failure of the Cancún meeting to move the Doha Development Agenda forward would make it even harder to achieve the Millennium Development Goals. Nevertheless, important lessons would be drawn from the meeting. For the first time, the developing countries had acted in concert to advance the Development Agenda. South Africa's Minister of Trade and Industry had said that the proposals submitted by the Group of 21 had marked a new chapter in the WTO process that would be decisive in advancing the negotiations. Another lesson

was that the countries in an advantaged position must make sacrifices to create a just and better world.

59. A consensus had been reached at Doha on the need for a new trade environment; trade was an engine of economic growth and could contribute to poverty eradication. The call for the removal of agricultural subsidies in developed countries should therefore be understood as a call for equity. The amount of such subsidies far exceeded ODA, for example. South Africa remained committed to the Doha mandate, but the concerns of the developing countries would have to be taken into account if the process was to move forward. In that sense, Doha had to remain a development round, and the developed countries must accept that the burden of reform rested with them.

60. The main reason for the recent development disappointments was that the global economic recovery had not materialized. Since the under-performance of the global economy limited the development potential of the developing countries, international development cooperation must be revitalized. In his statement in the general debate in the General Assembly the President of South Africa had said that global poverty and under-development were the principal problems facing the United Nations. The challenge, for the Second Committee in particular, was to identify the necessary concrete actions.

61. The debt burden remained a major obstacle to development, but the Heavily Indebted Poor Countries Debt Initiative still lacked adequate funding. Since part of the problem was structural, the whole Initiative might have to be reconsidered. The New Partnership for Africa's Development (NEPAD) recognized the important contribution of information and communication technologies (ICT) to poverty alleviation and growth stimulation. ICT should be seen as a tool for achieving economic and social goals.

62. The efforts to reform the international financial and trade institutions must be enhanced. Developing countries should have a bigger stake in those institutions because they were the main consumers of their services and targets of their programmes. The institutions should also be flexible enough to accommodate the challenges of countries at different stages of development, and the reform effort must take the question of coherence into account. South Africa believed that strong multilateral institutions were the only guarantee against domination by the strongest. It would support the Secretary-General's efforts to reform the Organization and maintain its primacy in world affairs; the Second Committee should consider its place in the reform.

63. Her delegation welcomed the work programme adopted by the Commission on Sustainable Development for the implementation of the Johannesburg Plan of Implementation and stressed the importance of implementation at the country level. It looked forward to the High-Level Dialogue on Financing for Development.

64. **Mr. Gallegos Chiriboga** (Ecuador) said that although for the past decade developing countries had been adopting extensive structural economic reforms to promote greater efficiency in the allocation of resources, they still confronted serious difficulties and structural weaknesses. Economic growth and the creation of productive employment had fallen to notoriously inadequate levels and the scarcity of opportunities to improve living standards presented a threat to governance and democratic processes.

65. Increased migratory flows — through both official and unofficial channels — had become a truly global phenomenon. Undocumented migrants were vulnerable to being exploited. The international community must tackle the problem of international migration and recognize that countries of origin and host countries shared the responsibility for protecting migrants.

66. External debt remained one of the most serious obstacles to development. Because of huge debt servicing payments Governments had fewer resources to spend on implementing social programmes and developing infrastructure. External debt must be regarded as a social, human issue, requiring a global and humanitarian covenant between debtors and creditors.

67. Developing countries were still prevented from fully developing their capacities because of trade barriers and other protectionist measures which limited access of their commodities to the most dynamic and economically vibrant markets. Moreover, continued unfair trading practices, such as subsidies, not only seriously distorted trading patterns, but also had a destructive effect on production in developing countries. The multilateral trading system could represent a powerful tool in the improvement of well being, but in order to derive such benefits,

development must be a key component. Ecuador was convinced that multilateralism provided the only guarantee for international harmony, under the rule of law, and in the quest for general well-being.

68. **Mr. Ramadan** (Lebanon) said that the elimination of poverty, through the creation of an environment that was conducive to development, was one of the major aspirations of the peoples of the world. Such an environment required a just international trading system, free of agricultural subsidies, trade barriers and other measures that hampered the flow of manufactured goods and commodities from exporting developing countries.

69. His delegation believed that the implementation of the Monterrey Consensus should be strengthened and regretted to note that official development assistance (ODA) levels would not be sufficient to meet the Millennium Development Goals, and that there had been no improvement in foreign direct investment (FDI) or external debt.

70. Globalization brought with it new opportunities but also inequitable distribution of benefits. Steps must be taken to create the just international economic and financial systems that were necessary for sustainable development; in particular reform of the international financial institutions, was essential in order to encourage greater participation of the developing countries in decision-making processes.

71. **Ms. Davila** (Colombia) noted that the global economy was still feeling the effects of the slowdown which had begun two years earlier. The international community must therefore strengthen its commitment to the Millennium Development Goals.

72. With the decline in foreign direct investment, Latin America had become a net exporter of financial resources, and to make matters worse, international prices of major commodities had fallen sharply. Millions of farmers and their families throughout Asia, Africa, Latin America and the Caribbean depended on the coffee industry. Their incomes had fallen significantly in recent years since coffee prices had been set exclusively by market forces. The absence of markets for alternative products had also undermined attempts to eradicate rural poverty, to stem population flows from rural to urban areas, and had thwarted efforts to curb the illicit economy.

73. International determination to take up the global challenge to overcome poverty, notwithstanding, the poverty index of Latin America and the Caribbean stood at 40 per cent economic growth in the region for 2003 was not expected to exceed 1.5 per cent. In spite of low international prices for coffee, consumers in developing countries continued to pay premium prices. She therefore urged consumers and coffee-producing countries to strengthen cooperation to bolster mechanisms for dialogue such as the International Coffee Organization.

74. Developing countries also incurred additional costs such as those derived from the fight against the illicit trade in drugs: Colombia's narcotics squads had used increasing amounts of budgetary resources which would normally have been earmarked for social development. The Government was proud of its achievements over the past year in reducing the production of illicit drugs by 30 per cent and in recovering vast expanses of woodlands which had previously been used for the cultivation of illicit crops. Nevertheless, the criterion of shared responsibility must be applied, and efforts must be redoubled to cut consumption, control the production and diversion of chemical precursors and to intensify cooperation in order to prevent money-laundering globally.

75. Colombia was committed to the goal of curbing transnational crime in all its dimensions, as reiterated in the Millennium Declaration. That objective was even more a priority for Colombia not only because the international drug trade adversely affected its capacity for development, but also because of the link between drug trafficking and terrorism. A drug-free world would undoubtedly be a more secure world and would provide wider access to economic prosperity. She noted that terrorist movements used social imbalances to their advantage; accordingly, development should be seen as an important instrument for the promotion of international security. Cooperation between countries within a framework of fairness and balance was essential to securing the constructive involvement of developing countries in the decision-making process relating to global monetary and financial matters, and forging stronger multilateral rules of international trade. Firm commitment to the reduction of domestic assistance and subsidies and meaningful improvement of market access conditions were therefore crucial.

76. Quoting International Monetary Fund sources, she said that if tariffs and non-tariff barriers to trade

and subsidies were eliminated, the world economy would grow by 120 billion dollars, a figure that would multiply development aid and debt relief budgets, in the interest of both low- and medium-income countries.

77. The failure of the Fifth WTO Ministerial Meeting should not deter Member States from engaging in future negotiations. Colombia would remain committed to the negotiations, and believed it was time for countries with the greatest economic options to take on greater obligations.

78. **Ms. Chenoweth** (Observer for the Food and Agriculture Organization of the United Nations (FAO)), drawing attention to certain issues which linked the work of FAO to that of the Committee, said that hunger continued to cause widespread suffering. Due to the inadequacy of available resources and limited political will among development partners, unless corrective action were taken as a matter of urgency, the goal of halving the number of victims of hunger by 2015 would not be achieved until the year 2115.

79. Nevertheless, FAO welcomed the Declaration adopted by Ministers for Foreign Affairs of the Group of 77 and China in September 2003, which reiterated their commitment to eradicate poverty and hunger and to raise living standards, and called for decisive action by the international community to assist developing countries in their efforts. She also referred to other instances which underscored the interest displayed by world leaders in critical areas including agriculture, rural development, food security and market access, and reaffirmed FAO's support to Member States.

80. Finally, she informed the Committee of various activities, studies, publications, special events and initiatives undertaken by FAO in cooperation with the international community with a view to eradicating hunger and poverty.

81. **Mr. Robinson** (Observer for the International Union for Conservation of Nature and Natural Resources (IUCN)) expressed concern at the lack of progress made in reaching the goals set at the Millennium Assembly, adding that IUCN supported the current focus on poverty eradication, and in particular, the recognition that poverty reduction efforts must address the multi-dimensional character of human well-being. It was however discouraging that the sophisticated understanding of poverty revealed by recent research, and the public statements espoused by donors and recipients had not been adequately reflected in current development policy and practice.

82. IUCN was ready to work with the United Nations and its specialized agencies to deepen support for sustainable development, including through the advancement of an appropriately broad and comprehensive definition of conservation that made clear the fundamental relevance of conservation to poverty eradication and ecosystem management. The principal conclusion of the recent Fifth World Parks Congress was that natural areas protected for conservation should be integrated within a broad sustainable development planning agenda, ensuring full participation of relevant stakeholders, including local and indigenous communities, and equitable sharing of benefits.

83. He pledged the continued support of IUCN for the implementation of multilateral agreements and the agencies of the United Nations on sustainable development noting that it was committed to working with the Economic and Social Council and the Commission on Sustainable Development, especially with regard to the forthcoming deliberations on water. IUCN also worked to build technical capacity through environmental legal education and research, and had just created the IUCN Academy of Environmental Law, a world-wide network of universities with significant environmental law programmes to support the United Nations in building capacity for government agencies, the judiciary and the public.

84. The need for mutual supportiveness between trade and sustainable development had been affirmed steadily since the United Nations Conference on Environment and Development and the World Summit on Sustainable Development. However, much remained to be done. The United Nations system could play a key role in promoting the urgently needed international policy and legal coherence between sustainable development and trade. IUCN urged the United Nations system to engage more strategically and proactively in ensuring a successful outcome of the Doha Development Agenda, and to intensify its longer-term efforts to achieve mutual supportiveness between trade and sustainable development in a manner that enhanced stability and equity.

The meeting rose at 1 p.m.

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Second Committee

Summary record of the 4th meeting
Held at Headquarters, New York, on Tuesday, 7 October 2003, at 3 p.m.

Chairman: Mr. Choudhury ..... (Bangladesh)
later: Ms. Zubčević (Vice-Chairman) ..... (Croatia)

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General debate

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The meeting was called to order at 3.10 p.m.

General debate

1 **Mr. Tan** (Singapore) said that his delegation was disappointed at the outcome of the recent Ministerial Conference of the World Trade Organization (WTO) held in Cancun. It was regrettable that there had been no agreement on the reduction of tariffs and agricultural subsidies, which would have generated $500 billion in revenues for both rich and poor countries and would have helped some 144 million people rise out of poverty by the year 2015. It would not be easy to reactivate the Doha round, a cooling-off period was needed so that negotiations could be resumed in a constructive spirit. Although it was highly unlikely that the round would be concluded by the 1 January 2005 deadline, that did not mean that all was lost. All parties concerned must work hard and show firm political commitment in order to save the multilateral trading system.

2 Rapid action was needed, since any delay in implementing the Doha Development Agenda would have serious consequences. Countries would begin to seek other arrangements or form separate trading blocs, leading to a protectionism that would serve no useful purpose. The developing countries, especially small and poor countries, would suffer the most. If nothing was done to remedy the situation, the injustices of economic globalization would cause the problems of the third world to spread to the first world, resulting in the globalization of poverty, terrorism and disease.

3 Singapore would continue to work with like-minded countries to ensure the early and successful completion of the Doha Development Agenda. The Monterrey Consensus and related processes would be very useful in helping developing and transition countries to mobilize the resources they needed for development. The process would also be revitalized thanks to the high-level dialogue on financing for development, which would give greater impetus and coherence to development initiatives that were already underway and give rise to innovative ideas and partnerships. All stakeholders must show serious commitment, take concrete action and join efforts to that end.

4 **Mr. Siv** (United States) said that, in the spirit of United Nations reform and General Assembly Resolution 57/270B – which called for a better focus on the work of the Second Committee – the United States delegation had decided not to make a statement during the general debate. Instead, his delegation would offer its views on the important questions on the Committee's agenda at the appropriate moments. That approach would provide for a more productive discussion, streamline the work of the Committee and enable his delegation to align its activities with the priorities defined in the Millennium Declaration and the global conferences of the past decade.

5 **Mr. Limon** (Suriname), speaking on behalf of the 14 States members of the Caribbean Community (Caricom) that were members of the United Nations, said that those States aligned themselves with the statement made by the representative of Morocco on behalf of the Group of 77 and China. Reaffirming their adherence to multilateralism and the Millennium Development Goals, especially the goal of alleviating poverty and human suffering around the world, he said that they promised to continue working for the implementation of the strategies, measures and programmes adopted in Monterrey and Johannesburg.

6 Despite the overly optimistic predictions of the 1990s about globalization and liberalization, the true history of globalization was reflected in the Human Development Report 2003 published by the United Nations Development Programme (UNDP). According to that report, living conditions had deteriorated considerably in approximately one third of the developing countries, where one third of all children died before their fifth birthday. That was reflected in the fact that the human development index had fallen sharply in 21 developing countries.

7 It was clear from those data that economic liberalization and market-oriented policies based on the ideologies promoted by the major donors and international financial institutions had had very little impact on economic growth and prosperity in the developing countries, especially the Caricom countries. Caricom called for a recommitment to the principles adopted in the Monterrey Consensus so as to enable the developing countries to reduce their indebtedness, mobilize resources and strengthen their capacity to compete effectively in the world economy.

8. The course taken by the global economy over the past two years had not been encouraging. Cases of corruption and conflict of interest in business had only increased insecurity in many countries and mistrust on the world financial markets. To that must be added the breakdown of negotiations at the Cancún Ministerial Conference, which had seriously set back the developing countries' efforts to achieve the Millennium Development Goals. Trade was the driving force of economic development for the Caricom countries. The developing countries should have access to the markets of developed countries without having to go through the complex systems currently in place and without depending on exclusive decision-making forums that ignored their problems and complicated the situation with their double standards and suspicious attitudes, especially with regard to trade, debt, finance and technology transfer. Priority attention should be given to two key issues, namely, the need for more consistent policies in the global decision-making process, with enhanced participation by the developing countries, and the need to take the concerns of developing countries into account in multilateral trade negotiations.

9. The States members of Caricom were implementing radical market-oriented reforms which had not yet borne fruit. Because of their small size, they found it difficult to overcome their vulnerability to natural disasters, their economic openness and their dependency on a few export products covered by preferential trade agreements. They were also being hurt by the on-going process of globalization and liberalization in trade and finance, especially the rapid dissolution of preferential trade agreements, a situation that had seriously affected the trade in bananas, given the ineffectiveness of the Bretton Woods institutions. The World Trade Organization should give priority to the work programme for small States and fully implement the principle of special and differentiated treatment, which was key to the survival of those States.

10. The economic growth and social development of the peoples of those countries depended heavily on sustainable development of the environment, which was a source of subsistence for the people and the main factor in their economic take-off. The forthcoming international meeting to review the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, to be held in Mauritius in 2004, would provide an opportunity for the international community to adopt specific measures for the effective implementation of the Programme of Action. The framework and the parameters for the review would be laid down in the resolution on small island developing States to be negotiated during the current session. In the view of Caricom, the Barbados Programme of Action should not be renegotiated, but rather, it should be reinforced. The Caricom countries hoped to receive the support of Committee members in that regard.

11. **Mr. Zarif** (Islamic Republic of Iran) said that his delegation associated itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. The international community should fully implement the work programmes and commitments emanating from the conferences held in recent years, especially the International Conference on Financing for Development. They should take advantage of the new channels for collaboration created through those conferences to facilitate achievement of the Millennium Development Goal calling for a global partnership for development. Unfortunately, the recent ministerial conference of the World Trade Organization (WTO) had failed to produce positive results that would have contributed to that goal. It had, however, represented a breakthrough for the developing countries which, in their determination to achieve universality of membership in the multilateral trading system, had demonstrated their strength and political weight.

12. On the issue of globalization, he said that the question arose as to whether it was operating in reverse, in other words, was it a case of monopolies becoming globalized and, more importantly, should it be governed at a high level? Its importance to the work of the United Nations lay in the linkages between globalization and critical issues such as trade, investment, finance, technology, the digital divide, information and communications technology for development, the Millennium Development Goals, migration, international law and even international politics. That made it all the more imperative for the General Assembly to give guidance for the continuing international deliberations in order to deepen the debate by a more in-depth consideration of specific aspects with a view to ensuring greater multilateral coordination and cooperation among relevant international organizations in the search for workable

solutions that were consistent with the rights of citizens around the world.

13. Iran welcomed the adoption of the new programme of work and organizational modalities by the Commission on Sustainable Development at its eleventh session. His delegation hoped that the programme, which focused on means of implementation and poverty eradication, would further advance the implementation of Agenda 21 and the Johannesburg Plan of Implementation and make it possible to identify the real constraints and barriers that countries faced. Beginning with the next session, countries would have an opportunity to review individual and collective progress made in regard to water, sanitation and human settlements. That would be a new experience for the Commission. In its resolution on agenda item 95, the Second Committee should also respond to draft resolution I, paragraph 3(b), which appeared in the Commission's report on its eleventh session, with a view to facilitating the participation of representatives of member States of the Commission in the regional implementation meetings.

14. Thanks to the consensus resolution on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields, which had been adopted after lengthy negotiations at the fifty-seventh session of the General Assembly, the Assembly and the Economic and Social Council would be able to better respond to the needs of developing countries and organize their work in line with the priorities of the international community. According to that resolution, at the fifty-eighth session of the General Assembly, the Second Committee should consider the indicative programme of work set out in the annex to the resolution and take a decision thereon by December 2003. The issue was of critical importance, given the need to ensure maximum transparency and full participation of Member States in the debate, which should take into account relevant resolutions adopted by the General Assembly in the past, the ongoing debate on the reform of the United Nations and the need for the main committees, especially the Third Committee, to better reflect macroeconomic perspectives and development issues in their work.

15. Finally, with regard to chapter III, programme 7 (Economic and social affairs) of the report of the Committee on Programme and Coordination, he said that his delegation believed that the challenges emanating from the on-going globalization process entailed enhancing the financial and technical capacity of the United Nations Secretariat. Its programme budget should meet requirements for full implementation of all mandated programmes and priorities set in the medium-term plan, ensuring consistency with the outcomes of the major United Nations conferences and summits.

16. **Mr. Rim** (Democratic People's Republic of Korea) said that his delegation aligned itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. The developing countries were not only faced with extreme poverty and the debt crisis, they also lacked full access on favourable terms to international markets, owing to the unfair international trading system and, in particular, to the restrictive policies imposed for the granting of financial and technical assistance to those countries. The countries of the North were the only ones that benefited from globalization, which had a negative impact on the developing countries, as they were increasingly marginalized from the global economy. The imposition of economic sanctions and unilateral coercive measures so as to occupy strategic economic zones precluded independent economic development and hampered international relations in general.

17. The establishment of a just international order with due respect for the right of all countries to independent development was crucial to the achievement of the Millennium Development Goals and sustainable development. There was an inherent anachronism in policies that entailed threatening the peace of other countries and imposing constraints on their right to development, under the pretext of protecting one's own security and development. There must be an end to unilateral coercive measures, including sanctions, and to military threats, which were an obstacle to the economic development and the wellbeing of mankind. Political interference should not stand in the way of free economic cooperation with or the sustainable development of developing countries.

18. Sustainable development could only be achieved through the adoption of specific measures and practices at the international level. The industrialized countries must meet their commitment to devote 0.7 per cent of their gross national product to development assistance, and they must take steps to reduce or cancel the debts of the developing countries. International cooperation

was also necessary to enable the developing countries to enhance their capacities in the field of information and communications technology. The United Nations should promote dialogue and consultation so as to promote international economic development and continue to address the negative effects of globalization. The Organization should promote the reform of the international financial system and the fulfilment of the commitments made at major international conferences.

19. The Government of the Democratic People's Republic of Korea was determined to speed up the construction of its economy, to improve the living conditions of its people and to lay a strong foundation for economic self-sufficiency. It would continue working to strengthen solidarity with the international community and multilateral cooperation based on the principle of equality and mutual benefit.

20. **Mr. Nguyen Thanh Chau** (Viet Nam) said that his delegation associated itself with the statement made by the Chairman of the Group of 77 and China expressing the common concerns of the developing countries. The slowdown of the global economy during the first few years of the twenty-first century had serious implications for many countries. While the benefits of globalization and trade liberalization were not equally distributed among all countries, the negative effects of globalization were increasing even more than the disparities between developing and developed countries. At the present critical moment in history, partnerships and cooperation for development must be strengthened and ways must be found to achieve equitable economic growth and sustainable development so as to enable hundreds of millions of people who lived on less than one dollar a day to rise out of poverty. If the development goals and targets established at the Millennium Summit and other United Nations conferences were to be achieved, it would be necessary for commitments to be honoured and collective measures to be adopted. All States, as well as the international community at large, including civil society and the business sector, must design international mechanisms for dialogue and economic cooperation, under the aegis of the United Nations. Responsible initiatives must be launched to ensure consistency between commitments and action. It was to be hoped that multilateral cooperation would mobilize and generate sufficient resources to overcome all obstacles to development.

21. The delegation of Viet Nam was pleased with the progress that had been made since the Monterrey Conference. For the first time in many years, official development assistance had risen by 4.8 per cent in real terms, reaching a total of $57 billion in 2002. However, that figure was still much lower than the amount needed to achieve the Millennium Development Goals, estimated by the World Bank to be at least $100 billion. The developed countries should meet the agreed target of earmarking 0.7 per cent of gross national product for official development assistance and between 0.15 and 0.2 per cent of their gross national product to the least developed countries. They should mobilize additional financial resources to further reduce poverty throughout the world.

22. In addition to official development assistance, trade was a driving force of economic growth in the developing countries and throughout the world. Growth would decline significantly in the absence of greater expansion of trade for the developing countries, which in turn depended on market access. The protectionist policies, including unfair tariff and non-tariff barriers, that the developed countries imposed on the exports of developing countries had a negative effect on the latter. The complaints brought recently against sales on the United States market of catfish from Viet Nam, cotton from Burkina Faso and medicinal herbs from Brazil were examples of a practice that must be eliminated.

23. Every effort must be made to ensure greater equality and transparency in the regulatory framework of the multilateral trading system, in order to enable all countries to enjoy the benefits of globalization and trade liberalization. The World Trade Organization (WTO) must become a truly global organization and facilitate the accession of developing countries and their full participation in decision making. The failure of the Fifth Ministerial Conference was evidence of the need for a restructuring of the global trading system with due regard for the special circumstances of developing countries.

24. Viet Nam believed that all countries should adopt more appropriate macroeconomic policies; they should cooperate with and support each other, paying special attention to the interests and needs of the least developed countries, and they should seek common grounds in seeking effective solutions to their problems. The Plan of Implementation of the World Summit on Sustainable Development should be translated into specific action. Viet Nam had worked

hard to achieve the Millennium Development Goals and implement the programmes and plans of action adopted at different conferences. In that regard, his Government attached great importance to cooperation and international partnerships for development, its goal was to become a trustworthy partner to all countries. Despite the encouraging results of its economic reforms, Viet Nam was still a poor and insufficiently developed country, and it needed external support in the form of official development assistance, foreign direct investment, trade, debt relief, transfer of know-how and technologies, human resources development, environmental protection and sustainable development.

25. **Mr. Ivanou** (Belarus) said that since 2000, one of the most important issues before the Second Committee had been the question of how to enhance the work of the specialized agencies and the funds and programmes of the United Nations system with a view to achieving the Millennium Development Goals. During 2003, that work had been conducted in the context of an economic recession. The crisis in Iraq, the worsening of the situation in the Middle East and the epidemic of severe acute respiratory syndrome (SARS) in the Asian countries had also had a negative impact on the global economy. The developing and transition economies had been hit especially hard by the adverse environment for development of the global economy.

26. International experts had estimated that the global GDP would have to grow by no less than 2.9 per cent per year in order to make it possible to achieve the Millennium Development Goals. That indicator still fell far short of the goal. Nonetheless, thanks to the implementation of effective national strategies and the support of competent international institutions, several regions of the world had made progress towards achieving certain development objectives, especially those relating to the fight against HIV/AIDS, debt relief for the developing countries and increased coverage of basic education. It was to be hoped that the high-level dialogue on financing for development would open up new avenues for international cooperation, which should be maximized with a view to increasing investment flows for the implementation of development programmes and projects.

27. Special attention should be paid in the high-level dialogue to the matter of enhancing the work of the multilateral financial institutions. The international financial system should be restructured, and every effort should be made to ensure transparency and enhance the participation of developing and transition countries in the process. There was a need for better balance between creditors and debtors in regard to the application of rules, codes and regulations, so as to ensure more even-handed oversight procedures, to ensure that the conditions applied did not affect national sovereignty and to make the multilateral financial institutions more democratic.

28. Belarus deeply regretted the breakdown of WTO negotiations in Cancún. It was important to realize the risks involved in delaying negotiations on new rules and on admission to WTO. All States must be offered an opportunity to participate in the benefits of the multilateral trading system. Further extending discussions on the Doha agenda could mean postponing negotiations on admission of new members. Deadlines should be set for negotiations on admission, a process that must not be put off indefinitely. Full integration into the global economy and the multilateral trading system was a goal of the sustainable development strategy of Belarus and a key issue in its foreign policy. Admission to WTO was important to Belarus as a means for reassuring investors and trading partners around the world that its foreign trade regime was trustworthy.

29. While welcoming the ongoing integration processes in Europe, Belarus opposed the creation of new dividing lines on the continent. There was a danger that cross-boundary cooperation between Belarus and its western neighbours might be weakened once those countries were admitted to the European Union. The measures adopted by the European Union to facilitate contacts along the boundaries were commendable but inadequate. Countries that were candidates for accession to the European Union were interested in the high-quality products sold by Belarus at good prices, however, antidumping measures had been implemented against Belarus in the context of the European Union. Moreover, there was a potential legal loophole in relations with candidate States, several of which planned to denounce the legal basis and the treaties on economic and trade issues currently in force. Belarus planned to hold a dialogue with those countries with a view to maintaining a bilateral trading system that would be favourable for all concerned.

30. **Mr. Ramadan** (Libyan Arab Jamahiriya) said that his delegation associated itself with the statement made by the representative of Morocco on behalf of the

Group of 77 and China. The issues that were on the agenda of the Second Committee for the current session were of particular interest to the least developed countries and the developing countries. They had been discussed in numerous forums and international conferences organized by the United Nations and other organizations at which policies and programmes of action aimed at eliminating obstacles to development had been adopted. The Libyan Arab Jamahiriya appealed to all stakeholders, especially donors, financial institutions and regional and international organizations, to meet their commitments to supply financial and technical assistance and help create the conditions necessary to promote social and economic development in the developing and least developed countries. His delegation welcomed the adoption by the General Assembly of the resolution establishing a biennial high-level dialogue as a forum for intergovernmental coordination in follow-up to the International Conference on Financing for Development. The problems already faced by the developing countries, especially the least developed ones – poverty, the debt burden, especially in single-commodity countries, and price fluctuations that prevented their access to the markets of developed countries – had been aggravated. Given that situation, globalization offered few prospects for prosperity; in fact, it widened the gap between North and South and marginalized the developing countries.

31. In the case of Africa, the developed countries must fulfil their commitments and provide official development assistance in the amounts pledged. Flows of investment and resources to developing countries should be increased, the debt should be alleviated through multilateral negotiations, and markets should be opened up to products from developing countries, which should also benefit from the transfer of information and communications technology.

32. The Libyan Arab Jamahiriya was participating in activities aimed at strengthening international economic cooperation for sustainable development through the establishment of bilateral and multilateral partnerships in the spheres of services and production, the creation of enterprises, companies and credit institutions, and the implementation of infrastructure, education and health projects. Those efforts had been hampered by the arbitrary economic measures imposed unilaterally on the country. His delegation reiterated its appeal to the international community to implement the United Nations resolutions, particularly resolution 57/5, in which the General Assembly had called for the repeal of laws imposed against his country. He also wished to draw the attention of the Committee to the ministerial declaration of the Group of 77, requesting the lifting of all sanctions against his country, which had been read out during the general debate at the current session of the General Assembly.

33. The Libyan Arab Jamahiriya was determined to overcome the obstacles that hindered its development, both in urban and rural areas and in the desert, but its work was complicated by the landmines that had been placed in its territory. The Government planned to identify the locations of those mines, remove them and help rehabilitate the areas affected. It also had plans to strengthen coordination with WTO, the regional development banks and United Nations funds and programmes with a view to integrating into its national programmes the programmes and policies adopted by the General Assembly, the Economic and Social Council and the major international conferences.

34. **Mr. Kittikhoun** (Lao People's Democratic Republic), speaking on behalf of the Group of Landlocked Developing Countries, said that those countries aligned themselves with the statement made by the representative of Morocco on behalf of the Group of 77 and China. The international community was deeply concerned at the slow recovery of the global economy, which was hampering the efforts of the developing countries, particularly the landlocked developing countries, to take full advantage of the benefits of the technological and information revolution. The disparities between landlocked developing countries and other developing countries seemed to be growing, and that was also a matter of serious concern.

35. Policy makers should work harder to implement their programmes for addressing global development problems. New approaches to international cooperation were needed, top priority should be given in international relations to promoting development and ensuring the full participation and integration into the global economy of developing countries, especially the least developed countries, landlocked developing countries and small island developing States. The landlocked developing countries joined the rest of the developing world in calling for the creation of a favourable global environment and the adoption of

effective measures to stimulate and ensure the stability of the world economy.

36. Given the regrettable lack of progress in achieving the Millennium Development Goals, the Group of Landlocked Developing Countries wished to stress the need to strengthen global initiatives aimed at achieving those goals. At the same time, the Group noted with satisfaction that the General Assembly had stressed the importance of conducting regular reviews of the commitments made at major United Nations conferences and summits and of the Millennium Development Goals, particularly goal 8, on the needs of landlocked developing countries. The Group trusted that the next review of implementation of the Millennium Development Goals would be broad and balanced.

37. The landlocked developing countries were doing everything within their reach to mobilize domestic resources, but their efforts were hindered by their inadequate economic growth and the sudden drop in flows of foreign direct investment. The international community, particularly the donor countries and agencies, should supplement the countries' efforts by increasing their official development assistance without imposing conditions. Their geographic handicaps, an inadequate transport infrastructure and burdensome transit procedures made their trade transaction costs prohibitive and prevented them from enjoying the benefits of the international trading system and becoming integrated into the regional and global economy. In that connection, special attention should be given in the current negotiations on market access for agricultural and non-agricultural goods to products that were of special interest to landlocked developing countries, as envisaged in paragraph 33 of the Almaty Programme of Action. On that basis, the countries members of the Group who were also members of WTO had taken steps to ensure that the ministerial text of the Fifth Ministerial Conference of WTO in Cancún would reflect the specific needs of landlocked developing countries. Given the failure of the Conference, the Group called for the early resumption of trade talks so as to ensure that the world market would be open and equitable and meet the needs of both rich and poor countries alike.

38. The Programme of Action adopted at the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation held in Almaty was a historic document that envisaged the adoption of specific measures in five priority areas in response to the needs of the landlocked developing countries. Its objectives would not be achieved, however, unless the international community provided the necessary technical and financial assistance. The Group urged all stakeholders, particularly the donor community, to honour their commitments; they also wished to stress the need for ensuring the fulfilment of other international commitments designed to supplement the implementation of the Almaty Programme of Action.

39. **Mr. Effah-Apenteng** (Ghana) said that his delegation welcomed the completion of the work of the ad hoc working group of the General Assembly established pursuant to resolution 57/270. Resolution 57/270B was a compromise solution that could not fully satisfy all delegations. The adoption of the report should not be seen as a means in itself, but rather as a catalyst for actions to be taken. It was now up to all concerned to demonstrate their political will and their determination to implement the recommendations of the report by taking practical and verifiable steps. The Millennium Development Goals reflected the outcomes of the major United Nations conferences and summits. They were the result of a dialogue between the North and the South, and any effort to implement the outcomes of those conferences and summits should also entail fulfilling those Goals.

40. Although globalization had opened up some opportunities for the developing world, in economic terms it had also excluded a large number of people and countries. The dynamics of globalization had reduced the manoeuvring room of national governments without there being any parallel increase in international cooperation to mitigate the process put in motion by the market. The international community recognized as never before the urgent need to adopt agreed and coordinated measures to fight poverty, and there was consensus on what needed to be done to achieve that objective. Actions in that regard were based on two criteria, namely, that the developing countries should assume primary responsibility for implementing policies, improving governance and strengthening institutional capacities in order to accelerate growth and reduce poverty, and that the international community should provide significant and well-coordinated support for those efforts through

technical and development assistance, market access and debt relief.

41. The Doha meeting had brought to light the concerns of the developing countries regarding the need for balance in the multilateral trading system. Multilateral trade negotiations had always been characterized by conflicts of interest and by the persistence of certain problems, including the industrialized countries' inflexibility on agricultural issues, enormous disparities in the capacity of developed, developing and least developed countries to meet burdensome market-access requirements, and the wide range of concerns among the different economies in the area of market access. The question arose as to whether the multilateral trade negotiations provided for in the Doha Development Agenda would guarantee results that would be conducive to development. A new balance must be sought in the world trading system on the basis of justice and equity as well as sound economic criteria. To ensure that the negotiations would bring positive results for the developing countries, the institutional role of WTO must be considered in the broader context of development, given that trade was a means and not an end in itself. The World Trade Organization needed to recognize the differences in the income and development levels of the different countries. Poverty eradication and job creation should be goals of the World Trade Organization along with those of trade liberalization and growth.

42. **Mr. Alcalay** (Venezuela) said that his delegation associated itself with the statements made by the representative of Morocco on behalf of the Group of 77 and China, and by the representative of Peru on behalf of the Rio Group. Much remained to be done to improve development conditions for the poorest countries, poverty remained a critical problem, and economic, social and cultural inequities prevailed throughout the world.

43. The international community bore special responsibility for fulfilling the agreements reached at the Millennium Summit, the Conference on Financing for Development and the World Summit on Sustainable Development, as well as the objectives of other major international conferences. Far-reaching changes must be made with a view to developing new working methods; a holistic and balanced approach was needed so as to integrate the three pillars of sustainable development and move towards the creation of a more just and humane international system.

44. In Monterrey, the developing countries had undertaken to establish favourable domestic conditions so as to attract external financial resources for economic and social development. At the same time, there had been recognition of the need to create suitable external conditions so as to encourage the flow of foreign investment to the developing countries and forge an international trading system that took into account their needs and interests. That was why the outcome of the Cancun meeting of the World Trade Organization had been so worrisome. It was clear that the conditions had not been right, and that the dialogue must be resumed; it was also clear, however, that the poor countries would suffer the most from any delay in negotiations.

45. Many factors determined whether or not commitments were met, in particular, one factor was the matter of whether or not a country had an adequate supply of human, financial and technical resources. In most cases, the developing countries did not have the minimum domestic and eternal resources needed to finance their development, since their revenues barely paid for essential imports, the cost of which was rising steadily. Interest rates, conditionality and the external debt burden further reduced their access to external sources of financing.

46. Venezuela trusted that the reform of the United Nations would create the necessary conditions to enable the developed countries to provide much-needed financial resources and to share technologies and know-how in order to help that huge part of the world that urgently needed to improve living conditions. The goal for official development assistance had not yet been met, although some developed countries were indeed fulfilling their promises. The amount of aid that the poor countries were receiving was negligible, compared with the trade subsidies paid by developed countries. The coherence and consistency of the international financial and monetary system and of the international trading system needed to be strengthened, so that needed reforms could be made in the so-called international financial architecture and ensure more effective and transparent participation on the part of the developing countries.

47. *Ms. Zubčević (Croatia), Vice-Chairman, took the Chair.*

48. **Mr. Mahiga** (United Republic of Tanzania) remarked that the Millennium Development Goals adopted by Member States at the beginning of the twenty-first century included commitments and targets for eradicating poverty, reducing the spread of HIV/AIDS and increasing access to quality education for all. Very little progress had been made towards achieving those goals, nor had much been done to implement the outcomes of the major United Nations conferences and summits.

49. If the developing countries were to meet the Millennium Development Goals, official development assistance would have to be increased by at least $50 billion per year. That figure represented only a fraction of the total amount of the subsidies granted to their farmers by the countries belonging to the Organization for Economic Cooperation and Development (OECD). Thus, it was not resources that were lacking but a genuine political will on the part of developed countries to take action on the resolutions that had been adopted. The more powerful countries should seek new ways to mobilize resources, focusing on objectives. Tanzania welcomed the concise proposal made by Chancellor Gordon Brown and the United Kingdom Department for International Development on the establishment of an international financing facility that would make it possible to double the amount of development aid provided by the rich countries to the poor countries and thus speed up achievement of the Millennium Development Goals.

50. The service of the external debt absorbed a substantial share of the domestic revenues of many developing countries, thus aggravating their indebtedness. Partial debt relief was not enough; steps should be taken to cancel all debts and thus put an end to the vicious cycle. Tanzania was one of the few countries that had benefited from the Heavily Indebted Poor Countries (HIPC) Initiative. While recognizing that the resources thus freed up had enabled his country to obtain favourable results in some priority areas, his delegation noted with concern that the Initiative did not go far enough. Countries that did not belong to the Paris Club had been reluctant to provide the necessary assistance, and the negotiations on assistance had not produced the desired results, even among some members of the Paris Club. A feasible and lasting solution going beyond the Initiative must be sought.

51. It had been stated repeatedly that trade was the driving force of economic growth and development, yet the world trading system was neither fair nor equitable, especially for the developing countries, which were still seriously marginalized. Most countries hoped that trade reform under WTO would offer solutions for promoting more equitable trading practices. The 1994 Uruguay Round Agreement on Agriculture had been based on the idea that agricultural products would be included in the multilateral trading system. Unfortunately, that had not been the case; on the contrary, many OECD countries had substantially increased their agricultural subsidies to the detriment of farmers in the developing countries. The Doha round had brought the expectation in the developing countries that the imbalances affecting agricultural products would be corrected. The failure of the recent WTO Ministerial Conference in Cancun had further dashed the hopes of many developing countries for a timely completion of the Doha round. Despite that setback, the fact that the developing countries had presented a unified front in Cancun was a sign that most of them were in favour of operational reforms being implemented in WTO. Tanzania supported that position and urged the developed countries to take the concerns of developing countries into account when WTO negotiations resumed in December 2003. The World Trade Organization was the only global multilateral mechanism for trade negotiations.

52. All partners in world trade should be on an equal footing, and trading should be conducted in a context of free markets driven by supply and demand. While the developing countries had opened their markets to products from the developed countries, the developed countries had not responded with reciprocal measures. The developed countries must open their markets without imposing conditions. In that regard, his delegation welcomed the steps taken by the United States and the European Union to facilitate access to their markets for the least developed countries.

53. Although the least developed countries themselves bore the primary responsibility for implementing the Brussels Programme of Action, it was to be hoped that all stakeholders in the different sectors would adhere to the Programme. The support of donors and of the international community would be decisive in enabling the least developed countries to meet their commitments under the Programme of Action. Tanzania commended those members of the international community and of the United Nations system that had incorporated the Programme of Action

into their own work programmes and urged those that had not yet done so to follow their example.

54. The establishment of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States had brought new hope to the least developed countries that implementation of the Programme of Action would be speeded up. The Tanzanian delegation urged donors and developed countries to contribute generously to the Trust Fund so as to provide the Office with the resources it needed to carry out its work. His delegation welcomed the Secretary-General's initiative providing for practical courses to be organized for least developed countries and coordinators in the United Nations system, in collaboration with the Office of the United Nations Development Group and other competent multilateral organizations.

55. Tanzania welcomed the recent adoption of the Almaty Programme of Action, which was designed to solve transit transport problems of landlocked and transit developing countries. As a transit country that provided services to several neighbouring countries, Tanzania needed to rehabilitate and expand its infrastructure in order to be able to handle the growing volume of traffic. His delegation appealed to donors and international financial and development institutions to provide assistance in connection with the implementation of the Programme of Action.

56. **Mr. Baatar** (Mongolia) said that his delegation associated itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China, as well as with the statement made by the representative of Lao People's Democratic Republic on behalf of the Group of Landlocked Developing Countries. Mongolia attached great importance to the full implementation of the outcomes of the major United Nations conferences and summits in the economic and social fields. However, it was aware of the obstacles and difficulties that had to be overcome in order to achieve development goals.

57. The Government of Mongolia had adopted the National Strategy for Economic Growth and Poverty Reduction, which focused on education, health and social welfare. More efficient budgeting and financial management mechanisms and public-sector reforms were important pillars of the Strategy.

58. International cooperation was fundamental for the sustainable growth of the global economy. Over the past few decades, globalization had brought tremendous benefits to the world, but also greater interdependence among nations. Such interdependence, in turn, called for closer international cooperation to ensure that economic and financial integration would be beneficial for all players. International trade remained the most important pillar of any strategy for promoting global growth and poverty reduction. The recent Cancun Ministerial Conference of the World Trade Organization (WTO) had revealed the complexity of the process. Mongolia believed that in order to reap the benefits of trade integration globally, a successful conclusion on schedule of the Doha Round was critically important to all concerned.

59. The Government of Mongolia welcomed the outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation and attached the utmost importance to the Almaty Programme of Action. The effective and timely implementation of the Programme would help landlocked developing countries to benefit from economic growth and participate in world markets.

60. Since the Monterrey Conference, some progress had been made towards raising official development assistance (ODA) levels. However, it was essential to explore other innovative ways to increase ODA and to accelerate progress towards meeting the Millennium Development Goals. Better coordination and multi-year commitments were key steps in making development assistance more effective.

61. Despite a number of initiatives undertaken over the last few years by the international community, the debt crisis was still one of the main constraints for developing countries, especially the landlocked developing countries and small island developing States. There was a need for the international community, particularly the donor countries and international financial institutions, to find an effective, comprehensive and equitable solution to that challenge.

62. The Johannesburg Summit had given new impetus to global action in promoting the integration of the three components of sustainable development, namely, economic development, social development and environmental protection. Development-friendly

decisions at the global level and a sharper focus on implementation were of essential importance. Mongolia welcomed the establishment of the World Solidarity Fund, which would contribute to national development efforts as well as to the achievement of the Millennium Development Goals.

63. Mongolia shared the view that the Committee must ensure the follow-up to the major United Nations conferences and summits through improvement of its programme of work. Adequate monitoring and reporting mechanisms were important for progress in the implementation of the development agenda. The Government of Mongolia had prepared its national report on the implementation of the Millennium Development Goals and would soon be submitting it to the General Assembly. His delegation looked forward to the review and appraisal of the implementation of the Millennium Development Goals to be carried out in 2005.

64. **Mr. Ileka** (Democratic Republic of the Congo) said that his delegation associated itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China and described the intersectoral programme of action drawn up by the transition Government of the Democratic Republic of the Congo to stabilize the macroeconomic situation, re-start production activities and raise the economic growth rate to a level higher than the population growth rate. The programme was aimed at establishing a market economy, ensuring investment security and promoting respect for social rights and legal and judicial guarantees for wage earners and entrepreneurs alike. Production activities were under the control of the private sector, leaving the State to exercise regulatory and legislative functions.

65. The objectives of the economic recovery and reconstruction efforts were to undertake major projects for repairing and rebuilding the infrastructure so as to restore interurban connections and public services; to strengthen human resources and institutional capacities; to develop new methodologies and sectoral policy guidelines; to establish a system for financing community initiatives aimed at maintaining and rebuilding urban and rural infrastructure; and to create an attractive environment for national or foreign private investment. Poverty-reduction efforts were directed at stabilizing the macroeconomic framework; promoting steady and balanced economic growth; preparing a budget that included appropriations for rehabilitation efforts; drawing up sectoral strategies; achieving food security in urban and rural areas; and supporting community initiatives.

66. Both domestic and external resources were needed to finance the programme. At the national level, fiscal pressure and monitoring of the informal sector would be increased, and collection efforts and investments would be promoted. With regard to external resources, steps had been taken to normalize relations with donor countries, creditors and the Bretton Woods institutions. The Democratic Republic of the Congo had recently reached the decision point, as it had met the eligibility requirements for the HIPC initiative, a step that would enable it to reduce the unsustainable debt burden. The Government also had two important instruments for mobilizing external resources, namely, the multisectoral emergency programme for reconstruction and rehabilitation and the provisional poverty-reduction strategy document, both approved by the International Monetary Fund (IMF) and the World Bank. The emergency programme, which would make it possible to restore the basic infrastructure that had been destroyed by years of inefficient management and war, was being financed by the World Bank, while IMF was providing financial support through the department of growth and poverty reduction.

67. The Democratic Republic of the Congo shared boundary lines with nine other States in the central African subregion. It had human, agricultural, water and underground resources that could contribute to economic development and should be utilized more efficiently so as to ensure a better future for the population. Offering guarantees for investors was crucial to the economic recovery of the country. The Government planned to restore the confidence of its partners and donors through measures such as the creation of tribunals to deal with commercial issues and the establishment of the National Anti-corruption Committee; mixed committees would also be restored.

68. Having experienced a conflict with so many external repercussions, the Democratic Republic of the Congo recognized the importance of subregional and regional cooperation. His Government supported the initiative of the Secretary-General and the international community to organize an international conference on peace, security, democracy and development of the Great Lakes region. The forum would also offer a historic opportunity to reactivate subregional economic

integration. The Democratic Republic of the Congo realized that given its location and its vast resources, it was called on to play a fundamental role in the integration of the continent and have a stabilizing influence in central and southern Africa.

69. **Mr. George** (Nigeria) said that his delegation supported the statement made by the representative of Morocco on behalf of the Group of 77 and China. The Second Committee's discussions should be based on the report and the resolution on the Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields, adopted in June 2003. In its work, the Committee should place special emphasis on implementation. It was to be hoped that funds and programmes would take into account the need for better coordination, coherence and efficacy.

70. The United Nations Charter embodied a vision for greater social progress, better living conditions and more freedom for all; the Millennium Development Goals represented a response to that vision. The developed countries and international financial institutions should honour their commitments to work in global partnerships to achieve the agreed goals and thus prevent the exclusion of most of the world's population.

71. Nigeria welcomed the publication of the Global Report on Human Settlements 2003, focused on "The Challenge of Slums". According to the Secretary-General, slums were the worst aspect of poverty and urban inequality. Unless special measures were taken, the number of people living in slums was likely to double by 2030. Given that panorama, Nigeria appealed for sufficient resources to be provided to the United Nations Human Settlements Programme to enable it to fulfil its mandate.

72. The high-level dialogue on financing for development would provide an opportunity for giving new impetus to the implementation of the Monterrey Consensus and fulfilling the promises of the international community; that was the only hope for achieving sustainable development. However, the same people who repeated over and over that trade and liberalization were the keys to development had not wanted, or had not been able, to create the necessary conditions for developing countries to participate in world trade. Nigeria regretted that WTO had not met the deadlines or achieved the objectives established in the Doha Development Agenda; in particular, it was unfortunate that the fifth Ministerial Conference, held in Cancún, had not achieved consensus on agricultural subsidies.

73. External indebtedness was another serious obstacle that made it difficult to carry out projects and provide essential socioeconomic services and created an endless and unsustainable burden for the developing countries. Over twenty years ago, Nigeria's foreign debt had totalled $5 billion. After spending billions of dollars on debt payments and service, Nigeria still owed $32 million, not because it had received additional loans, but because of the complications and penalties involved in reimbursement and debt-servicing obligations. Heavily indebted countries like Nigeria had had to cut back on their educational and health services and their infrastructure and poverty-eradication programmes. The international community must realize that the measures adopted to deal with the crisis had clearly been inadequate and ineffective. The time had come to seek more imaginative and flexible solutions for the debt problem, such as debt-for-development swaps to help heavily indebted countries achieve some of the Millennium Development Goals and extricate themselves once and for all from the yoke of poverty. That called for responsibility on both sides and a greater awareness on the part of creditor nations of the relationship between the debt service and the persistence of poverty, disease and the other evils of underdevelopment. In order to facilitate an exchange of views on the question, the members of the London Club and of the Paris Club, as well as other stakeholders, should participate in the dialogue between the Economic and Social Council, the Bretton Woods institutions, the World Trade Organization and other trading partners.

74. There was a huge gap between the developing countries' needs for resources and the funds they received. In its most recent report to the Economic and Social Council, the Economic Commission for Africa (ECA) had expressed pessimism about the prospects for economic growth in Africa, given that five countries had posted negative growth rates for 2002, capital flight was on the increase, and official development assistance fell short of the amount considered necessary for the continent to achieve the Millennium Development Goals. Problems such as HIV/AIDS, armed conflicts, desertification and

sustainable development were not only African problems. Without vigorous international support and determination, the New Partnership for Africa's Development (NEPAD), an initiative undertaken by African leaders, was doomed to fail.

75. The African governments had taken concrete steps to promote peace and stability in Sierra Leone, Côte d'Ivoire, Liberia, Sao Tome and Principe and Guinea-Bissau, and NEPAD would continue promoting good governance, respect for human rights and the rule of law. An example of such measures was the case of Amina Lawal, in Nigeria, who had been sentenced to death by stoning. The sentence had been overturned recently by an appeals court, not in response to the voices of protest, but out of respect for due process. Likewise, Nigeria and 15 other countries had agreed that within three months, other African States would be able to evaluate their performance with regard to public governance and accountability.

76. Nigeria noted with satisfaction the first report of the Secretary-General on progress in implementation of NEPAD, which described the specific measures taken by certain member States in that regard. His delegation was also pleased at the establishment of the Office of the Special Advisor on Africa, which must be provided with adequate resources. Nevertheless, the African countries and their development partners must also provide additional resources and contribute to the success of NEPAD as a model of South-South cooperation and triangular cooperation. The work of the special unit on South-South cooperation deserved special credit, and its role in coordinating the United Nations system should be strengthened. The United Nations Development Programme (UNDP) should supplement its efforts to promote peace and establish sound institutional regulatory frameworks, decisively supporting South-South cooperation, capacity-building, the establishment of monitoring and supervision mechanisms and greater negotiating competence, with a view to achieving balanced and sustainable development of the developing countries.

77. Nigeria welcomed the conclusion and the outcome of the Vienna negotiations on the United Nations Convention against Corruption and urged Member States to sign and ratify the Convention without delay. Illicit funds obtained through corrupt practices and outside the law were used to purchase arms and munitions, to finance terrorism and to fan the fires of domestic conflicts. Nigeria welcomed the adoption of measures at the national and international levels to return those funds to the countries of origin and to facilitate cooperation in the global fight against corruption. Finally, Nigeria would do everything in its power to ensure that the in-depth review of the agenda and organization of the work of the Second Committee during the current session would indeed simplify its work and bring about greater understanding and synergy.

78. **Mr. Alimov** (Tajikistan) said that during the past year, a number of developments had tested the soundness of the United Nations and raised awareness of the need to strengthen the United Nations and enhance cooperation among its members. The President of Tajikistan, Mr. Emomali Rajmonov, had stated that consensus on a global policy for international trade and financial relations was crucial to neutralize the serious economic, social and environmental threats facing the world. The Millennium Declaration and the Millennium Development Goals and the outcomes of the international conferences held in Monterrey and Johannesburg were important landmarks for the international community. Those conferences had confirmed the role of the United Nations in ensuring coordination and shaping global policies.

79. The importance of the outcome of the WTO Ministerial Conference in Cancún could not be overstated. Tajikistan was preparing its admission to WTO. Like other developing countries, it was important to Tajikistan that the conditions for access to global markets for goods and services should be clear, equitable and non-discriminatory. Some of those problems had been addressed at the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, held in Almaty. Barriers to the free movement of goods, services, labour and capital hindered the sustainable development of landlocked countries. It was to be hoped that with the support of regional structures, global trading mechanisms would begin to work more effectively and help promote the economic well-being of different regions in the world, including central Asia.

80. There were some signs of positive developments. His country's macroeconomic indicators showed that the end of civil strife and the restoration of peace and stability in the country had led to vigorous economic

growth. At the same time, the groundwork for a market economy was being laid and poverty-reduction programmes were being developed. The gross domestic product (GDP) had grown by 42.2 per cent between 1997 and 2002. Industrial production had risen by 56.2 per cent, and the agriculture sector had grown by 43.1 per cent. In 2002, state revenues had represented 113.7 per cent of budget projections, and foreign trade had increased by 8.6 per cent compared with 2001, reaching a total of $1 454 billion. Exports had risen by 13 per cent, thanks to sales of aluminium and cotton fibre. The investment environment had improved considerably, and entrepreneurial activities in the goods and services market were increasing steadily.

81. Peace and stability in Tajikistan had made it possible to create conditions that were conducive to enhanced market relations. The Government's privatization policy was strengthening the private sector, which was expected to provide the impetus for economic growth. The current model, which took into account both the state and the private sectors, would evolve further as economic reforms were put in place. The Government of Tajikistan planned to speed up economic changes, adopt complementary measures to strengthen the financial and banking system and implement structural changes in every sector of the economy with a view to raising the standard of living of the population. In December 2002, it had adopted a special reform programme, in the context of the poverty-reduction mechanism, which would involve making important policy decisions relating to fiscal, budgetary, financial and credit issues and the management of external loans.

82. In his address to the General Assembly, President Rajmonov had said that the problem of poverty represented a challenge for democracy and that the increasing disparity between rich and poor countries could become the main obstacle to the harmonious development of individual countries and of the international community as a whole. The poverty-reduction strategy of the Government of Tajikistan would make it possible to achieve an economic growth rate of at least 6 per cent per year. Among other reforms, improvements would also be made in the state investment policies, new tax and customs codes would be developed, and work would continue on development of the banking system. The support of the international community was crucial to attain those objectives. Without cooperation from the United Nations, Tajikistan would not be able to address the task of post-conflict recovery or to become fully integrated into the global economy. There were no simple formulas for translating political processes into a developed economy.

83. Tajikistan was actively involved in the international community's environmental conservation efforts. The measures adopted at the domestic level were in line with the decisions of the World Summit on Sustainable Development, and implementation of the Government's environmental conservation policy had begun in 2003.

84. On the initiative of the Government of Tajikistan, 2003 had been proclaimed as the International Year of Freshwater with a view to raising awareness about problems relating to freshwater and the need to find solutions. The international community should take advantage of the impetus created by that measure so as to ensure that the commitments made would be translated into action during 2003. One of the most important activities of the International Year of Freshwater had been the Dushanbe International Fresh Water Forum, organized jointly by the Government of Tajikistan, the Department of Economic and Social Affairs of the Secretariat, the United Nations Development Programme, the Government of the United States, the Government of Switzerland and the Aga Khan Foundation. Based on the Dushanbe appeal, President Rajmonov had proposed the proclamation of the year 2005 to 2015 as the International Decade on "Water for Life". His delegation planned to submit a draft resolution on that vital subject as a contribution towards achieving the Millennium Development Goal of halving by 2015 the proportion of people without sustainable access to safe drinking water and sanitation.

85. **Mr. Kazykhanov** (Kazakhstan) said that during the current session, the Second Committee should closely monitor the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits on development. The United Nations should play a key role in the creation and coordination of mechanisms for evaluating progress at the national, regional and global levels. His delegation attached great importance to the high-level dialogue on financing for development, to be held in late October as a forum for intergovernmental coordination of follow up to the Monterrey Conference.

86. His delegation was concerned at the growing marginalization of a group of developing and transition countries and the deterioration of the economic situation of countries with poorly diversified economies. The new trade policy that was taking shape as a result of the meetings in Doha, Johannesburg and Monterrey offered new opportunities to help those countries gain access to global markets and join the World Trade Organization. His delegation regretted that the Fifth Ministerial Conference of WTO had not arrived at a mutually acceptable solution to the most pressing issues of trade policy and hoped that the negotiations would be resumed shortly.

87. The International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, convened for the first time in August 2003 in Almaty, represented a direct contribution to the achievement of the Millennium Development Goals. The Almaty Declaration and Programme of Action laid the foundations for a global partnership aimed at establishing efficient transport systems that would give the landlocked developing countries safe and predictable access to world markets.

88. The Second Committee should continue giving priority to the question of environmental protection and sustainable development. The Kazakhstan initiative at Johannesburg proposing the creation of a United Nations registry of environmental issues, including specific recommendations for obtaining financial and technical resources to solve those problems, was still relevant. The proposed registry would allow for the regular exchange of information on issues affecting the global environment, as that was a prerequisite for preventing disasters such as the tragic fate of the Aral Sea. Kazakhstan supported the efforts of the United Nations and its specialized agencies to rehabilitate the Aral Sea Basin, but felt that they were inadequate. Along with other States in central Asia that belonged to the International Fund to Save the Aral Sea, his delegation called on the international community to provide more effective assistance to the affected region, through bilateral and multilateral channels. The search for a solution to that problem was linked to the need to integrate efforts relating to the three pillars of sustainable development – economic growth, social development and environmental protection – in central Asia.

89. The rehabilitation of the Semipalatinsk region, which had been used as a nuclear test site for 40 years, continued to pose serious socioeconomic, humanitarian and environmental challenges. Kazakhstan appreciated the support provided so far by the United Nations and donor countries and appealed to the international community to intensify its efforts to solve those problems.

90. Kazakhstan welcomed the outcome of the International Fresh Water Forum held in Dushanbe, which would contribute to the achievement of the Millennium Development Goals and the objectives established at the Johannesburg Conference. His delegation also welcomed the decision of the General Assembly to proclaim 2002 as the International Year of Mountains, as well as the recommendations of the Global Mountain Summit held in Bishkek in 2002 to promote the sustainable development of mountains, the rational use of mountain resources and the protection of mountain ecosystems.

91. **Mr. Zenna** (Ethiopia) said that his delegation aligned itself with the statements made by the representative of Morocco on behalf of the Group of 77 and China and by the Lao People's Democratic Republic on behalf of the Group of Landlocked Developing Countries. The Millennium Declaration and the Millennium Development Goals defined the nature of multilateralism and cooperation for development, and efforts to achieve those goals should be intensified. The Committee should focus its work on mobilizing the international community towards the achievement of those objectives and translating into concrete action the provisions of the Monterrey Consensus and the Johannesburg Plan of Implementation.

92. According to estimates of the Economic Commission for Africa, the economies of the continent would have to grow at an average annual rate of 7 per cent in order to achieve the Millennium Development Goal of halving poverty by 2015. In order to achieve that growth, they would need to receive around 18 per cent of GDP from external sources in the form of debt relief, official development assistance and foreign direct investment. However, indicators of the progress made by African countries were not encouraging. Africa's per capita income had only increased by 0.7 per cent over the last three years; indeed, it was the only continent in which poverty was expected to increase. The international community should correct

that situation, given that more than ever before, it had the necessary means to eradicate poverty within the lifetime of one generation.

93. The Monterrey Consensus had laid the foundation for strengthening the global partnership for development, and the forthcoming high-level dialogue on financing for development would offer an opportunity to assess the progress achieved in its implementation. It was regrettable, however, that no progress had been made towards systematically integrating trade in general. A concerted effort must be made to ensure that progress could be made towards implementing the Doha Development Agenda despite the failure of the Cancún Conference.

94. Trade remained the driving force of growth and development. Countries that depended on commodities were deeply concerned at the fact that so little had been done to counteract the impact of international price fluctuations and the steady drop in the prices of commodities that were crucial for most of the least developed countries. This had hindered the growth of their economies and their poverty-reduction programmes, as well as the sustainability of the debt burden. Over the last three years, the drop in prices of just one commodity, coffee, had caused 25 million people to fall below the poverty line. Ethiopia was one of the countries that had been most seriously affected by that situation. It was important to improve the capacity of countries to be involved in discussions on the implementation of outcomes and decisions and to take advantage of the international community's efforts to build consensus in the different areas of cooperation for development.

The meeting rose at 6 p.m.

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Second Committee

Summary record of the 5th meeting
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Chairman: Mr. Chowdhury ..... (Bangladesh)

Contents

General debate (*continued*)

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03-54797 (E)

The meeting was called to order at 10.05 a.m.

General debate (*continued*)

1. **Mr. Kulyk** (Ukraine) noted the decision taken to be more rigorous in implementing the outcomes of United Nations conferences and to give the Organization a stronger leadership role in following up those conferences. The Committee must make sure that it was relevant in implementing the Millennium Declaration, the Monterrey Consensus resulting from the International Conference on Financing for Development, the Johannesburg Plan of Implementation resulting from the World Summit on Sustainable Development and the outcomes of other United Nations conferences on economic and social issues. The Committee must look for ways to rationalize its work and structure and reduce its growing agenda, by concentrating on the vision and commitments of the Millennium Summit, the Monterrey Conference and the Johannesburg Summit. The concerns of countries with specific needs, including countries with economies in transition, should remain high on the Committee's agenda.

2. The Committee could improve its working methods by making its debates more focused and dynamic and by involving other institutional stakeholders more actively. His delegation welcomed the Bureau's proposal to hold a series of discussions on topical development issues, involving senior officials and representatives of policy forums. Overlapping and duplication between the work of the Committee and that of the Economic and Social Council should be avoided by establishing a stricter division of labour between the General Assembly and the Council.

3. At the World Summit on Sustainable Development in Johannesburg, the international community had emphasized the importance of the regional dimension to promoting sustainable development. That was particularly true in Europe, where countries' development standards and resources varied, and a stronger partnership framework was needed. Ukraine had hosted the fifth ministerial Environment for Europe conference, the highest-level environmental forum of the Economic Commission for Europe, earlier in 2003. Building on the outcome of the Johannesburg Summit, the Conference had confirmed the resolve of the member countries of the Economic Commission for Europe to drive forward the implementation of internationally agreed development goals and had resulted in some commitments that went beyond those assumed in Johannesburg.

4. The task of following up international conferences needed an environment conducive to development in all countries, starting with the mainstreaming of the Millennium Development Goals into national policies. In that respect, Ukraine was a leader in its region, having launched a policy document on the Millennium Development Goals for Ukraine for the period up to 2015. The document contained targets which were suited to local circumstances and often surpassed the Millennium Development Goals. However, Ukraine's sustainable development efforts could succeed only with international support. The Millennium Goal of establishing a global partnership for development would promote full integration into the world economy and provide equitable access to the international trading and financial systems. Ukraine welcomed the report of the Secretary-General on the Implementation of the United Nations Millennium Declaration (A/58/323), which had emphasized the importance of a supportive external economic environment and established three core elements: trade, debt relief and an improved financial system.

5. In the context of the Millennium Development Goals, there was a strong case for improving the multilateral trading system so that it could respond to the needs of economies in transition and developing economies. Ukraine believed that, despite the failure of the World Trade Organization (WTO) Ministerial Conference in Cancún, Governments would have the political will and flexibility to bridge the gaps between them. The World Trade Organization should be made truly universal, as the Monterrey Consensus had proposed.

6. Ukraine was pursuing two global partnership goals: accession to the European Union and accession to WTO. A strategic partnership between Ukraine and the European Union was particularly important, and Ukraine wished to ensure that the forthcoming enlargement of the European Union did not have a negative effect on the economies of its neighbours. Strong economic performance in Ukraine would contribute to that partnership: it was in its fourth consecutive year of growth, at a rate projected to be about 5 per cent in 2003, underpinned by prudent demand-management strategy, strong fiscal and monetary policy, an improved trade and services

balance and accelerated privatization. Efforts were continuing to further structural reforms, maintain sound macroeconomic policy, strengthen the taxation system, improve the investment climate and encourage the private sector.

7. **Mr. Mehairbi** (United Arab Emirates) said that development plans and programmes in the developing countries had been adversely affected as a result of the steadily declining global economy, which was attributable to a variety of factors, in particular wars and armed conflicts such as those in the Middle East region. Believing that economic development was a fundamental human right and a mainstay of international peace and security, he urged the international community to focus on the full and effective implementation of the Millennium Development Goals and the outcome of international conferences and summits, in particular the Monterrey Consensus, the Doha Development Agenda and the recommendations of the World Summit on Sustainable Development. He also urged the speedy adoption of policies aimed at alleviating the debt burden of the developing countries.

8. As a result of its economic, commercial and monetary successes achieved in spite of the volatile global economy, his country had gained the confidence of the international community and Dubai had been selected as the venue for the 2003 annual meetings of the Board of Governors of the World Bank Group and the International Monetary Fund, at which particular attention had been devoted to issues of development and debt reduction. His Government had also pursued a successful development policy to improve human resources, diversify income and create investment projects designed to boost the national economy. Information and communications technology was widespread in the public and private sectors, as well as universally accessible, and the country's careful efforts to develop its human settlements in such a way as to protect and enhance the environment had won it a total of 15 Arab and international awards. A firm believer in cooperation for global economic development, the United Arab Emirates had acceded to bilateral, regional and international agreements on matters of trade, economy and development. It had also provided material and other assistance to developing and least developed countries, as well as to countries which had suffered natural disaster or armed conflict, in which connection he highlighted its membership of the Core Group on Reconstruction in Iraq.

9. **Mr. Shobokshi** (Saudi Arabia) welcomed the high-level meeting to be convened in 2005 in order to review the implementation of the development goals set at United Nations conferences and summits, the achievement of which was a high priority. Together with poverty eradication, the provision of wider opportunities for sustainable development was a moral and political responsibility which demanded the cooperation of the entire international community. It was vital to adopt a realistic approach towards the inevitable fact of globalization in order to gain from the advantages and rise to the challenges which it brought, in particular the burden caused by the gap in technological and other capacities between developed and developing countries. Without international peace and security, however, sustainable development would remain an unattainable dream for many. In the interests of prosperity for all, Saudi Arabia called for the establishment of a new cooperative partnership based on fair, equal and mutually beneficial economic relations, shared responsibility and a firm belief in multilateralism. Itself a developing country with increasing financial needs, it had contributed to social and economic development efforts in the developing countries over US$ 76 billion, which amounted to approximately 4 per cent of its gross domestic product, thus exceeding the official development assistance goal set by the United Nations. It had also contributed its full share to the Heavily Indebted Poor Countries (HIPC) Debt Initiative, prior to the introduction of which it had already exempted a number of poor countries from debts owed for 1991.

10. **Mr. Kafando** (Burkina Faso) said that advancing economic globalization and the liberalization of world trade had widened the economic and social gap between countries and therefore between peoples. The world economy was more than ever under the control of a few countries which manipulated its rules to their own benefit and to the detriment of the many who remained marginalized. Developing countries had become poorer and poorer, with one and a half billion people, a quarter of the world's population, living on less than one dollar a day. While those countries suffered from poor food security, prosperous countries destroyed food stocks, on the pretext of stabilizing prices. The lack of services such as drinking water and medical treatment condemned one third of the world to

a life expectancy of under 40 years. Debt remained a constant burden, despite the Debt Initiative for Heavily Indebted Poor Countries.

11. The situation highlighted the challenge of the Millennium Declaration, particularly the goal of reducing by half the number of people living in poverty by 2005. Combating poverty should be a central concern of the international community, which should take account of the need for equitable income distribution, for equal access to economic resources, including land, education and micro credit, and for gender equality and the empowerment of women. Efforts to eradicate poverty should be improved through debt relief for the poorest countries, greater official development assistance and foreign direct investment to stimulate growth. Donor countries should coordinate their action more closely, and devote more resources to development.

12. In international trade relations, there was a gap between industrialized countries and developing countries. The structural imbalance in developing countries' trade with developed countries left them more and more vulnerable. The South in general, and Africa in particular, had not reaped the advantages of globalization. The failure of the WTO Ministerial Conference in Cancún threatened to harm the least developed countries' prospects of integration into the multilateral trading system, and of receiving special and differential treatment. The least developed countries lacked the resources to put their development plans into practice; consequently, the commitments made by bilateral and multilateral partners in the Brussels Programme of Action for the Least Developed Countries should be honoured.

13. All developed countries shared a goal of sustainable human development, which they would be unable to achieve without more justice and equity in international trade. That should be pursued by restoring the value of raw materials through stabilization of export revenue, eliminating protectionist measures in order to give goods from the South free and full access to the markets of the North, eliminating agricultural subsidies in the countries of the North and reforming the Bretton Woods institutions to adapt them to the needs and concerns of the developing countries.

14. The worldwide environmental deterioration was alarming. Although the international community had taken action, much remained to be done. The comprehensive measures taken by the United Nations should receive support. Migration was another issue which affected a growing number of countries. Although migration was a source of inter-cultural dialogue and better understanding between peoples, it had caused demographic, sociological, economic and political problems for the international community, and thus for the United Nations. For that reason, Burkina Faso was in favour of a United Nations conference on international migration and development, which would provide an opportunity for valuable dialogue between civilizations.

15. The United Nations had contributed substantially to international development over the previous fifty years but, at the dawn of the twenty-first century, the international community faced new challenges and had made new commitments. Unless those commitments were translated into action, they would have no effect on the poorest countries. That explained the importance which Burkina Faso attached to implementation and integrated follow-up of United Nations conferences and summits. In that connection, many demands would be made on the resources of the Committee, which should strengthen its working methods in order to rise to the challenge.

16. **Mr. Šahović** (Serbia and Montenegro) said that the economic slowdown in 2002 and 2003 had given way to modest signs of an upturn in the global economic outlook. However, risks remained in many countries, and close international cooperation and decisive action were needed to foster a strong, broad-based economic recovery. For that reason, his Government was concerned at the breakdown of trade negotiations in Cancún. It was important to resume the Doha Round of talks as soon as possible, to promote global growth and fulfil development goals. The world needed not just open markets, but also more equitable trade, since trade was the engine of economic expansion.

17. Economic growth was vital to achieving the Millennium Development Goals: the report of the Secretary-General on the implementation of the United Nations Millennium Declaration (A/58/323) had emphasized that a sustained per capita income increase of 3 per cent a year was the minimum needed to halve the number of people living in extreme poverty by 2015.

18. The Millennium Declaration and the outcomes of major United Nations conferences and summits provided a basis for action at national, regional and international levels. The Millennium Development Goals and other internationally agreed objectives provided clear targets for action in the economic, social and environmental fields. The Member States, all international financial institutions, the private sector and civil society must have the determination and political will to fulfil those goals.

19. His delegation supported the process launched by the open-ended ad hoc working group of the General Assembly on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields. General Assembly resolution 57/270 B, regarding the same issue, could help to strengthen the leadership role of the General Assembly and the coordinating role of the Economic and Social Council in the international development agenda, since better use could be made of the existing mechanisms of the United Nations in the field of development. As the Under-Secretary-General for Economic and Social Affairs had pointed out, a key event of the current General Assembly session would be the High-level Dialogue on Financing for Development, which would provide an opportunity to assess progress, shortcomings and future action.

20. The Declaration and Plan of Implementation of the World Summit on Sustainable Development held in Johannesburg had confirmed that sustainable development was a central element of the international agenda. The work of the Commission on Sustainable Development, which had approved a multi-year programme of work for 2004 to 2017, was important in translating the commitments made at the Summit into action.

21. The greatest test of success in fulfilling the goals of major summits and conferences was the achievement of improvements in individual countries. The international community should therefore focus on coherence of policies, national ownership of frameworks such as the Poverty Reduction Strategy Papers (PRSPs) and coordination mechanisms such as the Common Country Frameworks (CCF) and United Nations Development Assistance Frameworks (UNDAF).

22. Serbia and Montenegro had undertaken radical economic and social reform, with the goal of achieving macro-economic stability and the structural change needed for a stable market economy. It also sought closer integration with the European Union, with which it hoped to sign a Stabilization and Association Agreement in 2004. Because it was still in transition, it continued to need international assistance. Serbia and Montenegro strongly supported regional cooperation, and was involved in many regional initiatives to promote stability, which was the key to sustainable growth in all the countries of South-East Europe.

23. **Mr. Baja** (Philippines) said that the Committee was meeting against a backdrop of economic uncertainty, human suffering and environmental degradation. Over one billion people still lived on less than one dollar a day; every year, eleven million children aged under five died mainly from preventable illnesses, and forty million people were living with HIV/AIDS. The environment had also suffered the effects of man-made disasters, soil erosion, air and water pollution, greenhouse gases, climate change, destruction of ecosystems and disappearance of species.

24. Economic links between countries had deepened, so that overcoming poverty and promoting sustainable development had become a concern for developed and developing countries alike. However, many countries were becoming poorer in relative and absolute terms. The 2003 Human Development Report of the United Nations Development Programme had confirmed that 54 of the world's countries were poorer than they had been in 1990. Those levels of poverty were caused by an international economic environment which did not favour developing countries and did not reduce economic disparities between rich and poor countries.

25. Clear and measurable targets for action by the international community had been set out in the Millennium Development Goals, the Doha Development Agenda, the Monterrey Consensus and the Johannesburg Plan of Implementation. What was needed was political will on the part of developed and developing countries to implement such commitments. The forthcoming High-level Dialogue of the General Assembly on Financing for Development was an important part of the process of reviewing commitments.

26. The world trading and financial systems should be open, rule-based, predictable and non-discriminatory. Rich countries' barriers to agricultural exports from poorer countries were harming the global development agenda. The Philippines had been disappointed by the developed countries' lack of commitment at the WTO Ministerial Conference in Cancun, and called for development to be put at the heart of the WTO agenda. Migration was another issue which was gaining importance as globalization advanced. All aspects of the matter should be examined in the context of sustainable development.

27. In addition to focusing on the implementation of the outcomes of conferences and summits, Member States should develop clear approaches to the development-related issues on the agenda of the current session. Since the adoption of General Assembly resolution 57/270 B on integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields, it had become even more important to strengthen the Assembly's role in promoting development cooperation.

28. **Mr. de Alba** (Mexico) said that, rather than make a formal address to the Committee, he simply wished to encourage it to hold a wide-ranging discussion on its working methods, including the usefulness of the general debate. A thorough review of those methods would be in keeping with the spirit of the Monterrey Consensus and of General Assembly resolution 57/270 B on integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields.

29. **Mr. Butagira** (Uganda) said it was regrettable that, despite the third United Nations Conference on the Least Developed Countries, the International Conference on Financing for Development and the Johannesburg Summit on Sustainable Development, current trends in resource flows to developing countries had fallen short of the level needed to attain the goal of halving poverty by 2015. Noting that external trade and resources were vital to the development of the poorest countries, he called on the developed countries to open their markets to the agricultural produce of developing countries and remove all trade-distorting subsidies. While initiatives such as the African Growth and Opportunity Act (AGOA) and the Everything But Arms (EBA) initiative were important gestures of solidarity with the least developed countries and Africa, in order to achieve tangible results they needed to be cast within the context of clear rules in a multilateral trade regime that took into account the special circumstances of the weaker countries in the system. Uganda called for an urgent resumption of the Doha Round on the basis of a balanced agenda that responded to the development aspirations of developing countries.

30. His delegation appreciated the role played by the United Nations Conference on Trade and Development (UNCTAD) in the area of trade negotiations and in the building of related capacities in developing countries and urged donors to continue to provide UNCTAD with adequate resources to enable it to deliver services that developing countries needed in areas such as investment, technology and enterprise development. Uganda was one of seven countries to have reached the completion point for debt relief implementation under the Heavily Indebted Poor Countries (HIPC) Debt Initiative. Despite that success, Uganda and other developing countries lacked fair market access and commodity prices to sustain their debt. That problem was particularly acute for the least developed countries and landlocked least developed countries, whose problems were compounded by steep transport costs and vulnerability to fluctuations in the prices of the raw commodity exports on which their economies depended.

31. Uganda joined other landlocked least developed countries in urging international support to address their special infrastructure development needs and for the Almaty Programme of Action adopted in August 2003. Regional cooperation and inter-regional trade were part of the solution. In that regard, the Governments of Kenya, Uganda and the United Republic of Tanzania would form a customs union in November 2003. He called for the extension of trade preferences to those three countries, which depended heavily on a single commodity for their export earnings. He welcomed the Third Tokyo International Conference on African Development (TICAD III) and the New Partnership for Africa's Development (NEPAD), while recognizing the responsibility of African governments in their own development.

32. **Mr. Doryan** (World Bank) said that the development equation created in the Millennium Declaration, embodied in the Millennium Development Goals and targeted at Monterrey and Johannesburg was

the best chance for effective development. However, greater systemic coherence was needed to implement the development agenda. That could be achieved only through more streamlined support from international institutions to developing countries, enhanced harmonization among development partners at the country level and clear institutional, regional and global connections.

33. After defining and explaining the concepts of institutional-level coherence, country coherence and global coherence, he noted that systemic coherence was the synergy between the institutional, national and global forms of coherence. The recent annual meetings of the Bank and IMF had dealt with the overall issues of Monterrey and the Millennium Development Goals, emphasizing that it was urgent to build the necessary synergies to create a vibrant and effective multilateral system for development effectiveness, which would make the norms, policies and discussions a reality for all people in every country.

34. **Mr. Neill** (Jamaica) expressed doubts about the prospects for growth in developing countries: while the signs were positive in some cases, the general outlook was discouraging. The challenges of globalization outweighed the opportunities available. The overall strategy to stimulate development seemed to be to adopt policies based on the free market model, which his delegation and others had always questioned. The statement by the World Bank representative suggested that it was now understood that some of those policies did not work. Indeed, there was a need for a better understanding of the economic and social dynamics in developing countries. To benefit from liberalization measures, for example, a well-developed private sector was needed, which many developing countries did not have. It was still important for the State to play an important role in developing countries at certain levels of development, particularly when economic stimulation was needed. Part of the reason why developing countries were trapped in the wrong kind of development policy was that they did not have enough influence in decision-making to affect the principles governing international economic relations. In other words, decision-making in the Bretton Woods institutions was basically undemocratic.

35. Regarding resources for development, domestic savings were not available on the scale which would ignite development. Unfortunately, external resource transfers, which were already highly concentrated, were contracting and did not give developing countries much hope for the future. Although trade barriers were coming down in developing countries, they did not enjoy the same ease of access to developed markets. The failure to reach agreement at Cancún had probably been a mixed blessing but it showed that more attention must be paid to the concerns of developing countries. Many of those countries had weak production sectors, which needed to be bolstered for them to be able to benefit from international trade. His delegation was disappointed with development cooperation both in terms of the quantum of resources, which were far from the ODA targets set, and the punishing conditionalities, which often stressed policy and governance issues, rather than poverty and capacity building.

36. **Mr. Ayari** (Tunisia), said that, despite the global consensus on poverty eradication and sustainable development, unfair global trade and economic policies thwarted progress in achieving the Millennium targets. The failure of the Cancún meeting showed the enormous obstacles that developing countries must overcome in order to improve their export sectors and become integrated into the world economy. It was imperative to improve access for the products of developing countries to world markets, which meant reducing agricultural subsidies and removing tariff barriers. In that regard, the Millennium Declaration, the Monterrey Consensus and Johannesburg Plan of Implementation and the United Nations conferences and summits held over the past decade, had drawn up the blueprint for combating poverty and promoting sustainable development. The international community should now take action by strengthening and boosting different types of cooperation and partnership. In that regard, he welcomed General Assembly resolution 57/270 and its provisions relating to the holding in 2005 of a summit on the implementation of the commitments undertaken.

37. The international community must seize the opportunity offered by the upcoming High-level Dialogue on Financing for Development to assess progress in implementing the commitments agreed at Monterrey, Johannesburg and Doha. The World Solidarity Fund, an outcome of the Johannesburg Summit, was an important new tool for poverty eradication. He expressed the hope that the United Nations Development Programme would speed up the operationalization of the Fund by setting up, without delay, the high-level committee responsible for

defining its strategy and mobilizing the necessary financial resources.

38. **Mr. Nikolov** (The former Yugoslav Republic of Macedonia) said that he was encouraged by the signs of world economic recovery, although the outlook had been overshadowed by macroeconomic imbalances. His country, which believed in the strong relationship between regional stability and economic development, continued to strengthen regional cooperation. The failure of the recent WTO negotiations in Cancún should not discourage the international community. Future discussions should be based on the need for an open, non-discriminatory and equitable multilateral trading system that would provide development opportunities for all.

39. Implementation of the Monterrey Consensus was vital to mobilizing financial resources for development in developing countries and countries with economies in transition. The upcoming General Assembly High-level Dialogue on Financing for Development would mark further progress in implementing the Consensus. His delegation expected that the Committee's discussions would give new impetus to the commitments undertaken under the Johannesburg Plan of Implementation. In that regard, it welcomed the adoption of General Assembly resolution 57/270 B and of the new programme of work of the Commission on Sustainable Development, which was particularly important in implementing Agenda 21 and the Johannesburg Plan. His delegation looked forward to the holding of a major event in 2005 to review the implementation of the Millennium Declaration.

40. **Mr. Blanco Dominguez** (Dominican Republic) said that his Government was implementing a national plan against poverty which entailed investing substantial amounts in education, health, food and housing. It was also working to solve the problem of environmental degradation. Sustainability was a basic element of his country's development plans, which were geared towards achieving the objectives set forth in the Millennium Declaration.

41. The international crises of the last three years had seriously affected the economy of the Dominican Republic, as it had those of the other Latin American and Caribbean countries. The cost of oil imports and external debt payments was a heavy burden which was weakening his country. His delegation appealed to the international community to energize development efforts and to honour the commitments undertaken by world leaders at various summit meetings and conferences convened by the United Nations. Increased official development assistance, foreign direct investment, market liberalization, elimination of agricultural subsidies, debt rescheduling and technology transfer were crucial to the stability and well-being of present and future generations. The developing countries must be given a greater role in decision-making in the multilateral financial institutions and agencies.

42. His Government was confident that the Cancún experience would not jeopardize multilateral negotiations; in fact, the impasse might make it possible to forge more equitable international agreements within WTO. It was important not to lose sight of the development focus of the WTO programme of work as outlined at Doha.

43. In conclusion, he wished to express his delegation's satisfaction at the holding in late October of the High-level Dialogue on Financing for Development.

44. **Mr. Niang** (Senegal) agreed with those delegations that had suggested that the Second Committee should concentrate on the follow-up to the implementation of the Monterrey Consensus and the Millennium Development Goals. If current trends in Africa continued, the region would not be able to achieve the Millennium Development Goals. The continent's growth rate had fallen from 4.3 per cent in 2001 to 3.2 per cent in 2002; over 29 million Africans had HIV/AIDS, and 380 million were living in absolute poverty. That situation could be explained in part by political instability and armed conflict, but it was also a reflection of the world economic situation, the continuing deterioration of the terms of trade and the gradual marginalization of Africa from world trade in goods, services and capital. The situation was not hopeless, however, thanks to the New Partnership for Africa's Development (NEPAD), in the context of which the countries of the continent were determined to create favourable conditions for good governance and for the mobilization of domestic resources to finance their own development. That effort would be fruitless, however, without the backing and support of the international community, especially the developed countries. Senegal believed strongly that improvement of the external environment was just as important as the efforts of the African countries themselves. He

urged the partners in NEPAD to pay special attention to the needs of the continent with regard to official development assistance (ODA), debt treatment and trade.

45. He noted with satisfaction that ODA flows to Africa had increased since the Monterrey Conference. However, that many donor countries were far from achieving the goal of 0.7 per cent, and further problems were created by the unpredictability of and delays in disbursements, as well as the cumbersome procedures and the conditions tied to such aid. As far as debt was concerned, the seriousness of the situation in Africa could not be overstated. Although some encouragement could be taken from the HIPC initiative, it did not provide a long-term solution. That was why the leaders of the continent planned to organize a conference on the African debt, to be held in early 2004.

46. Turning to the Doha Development Agenda, he pointed out that many African countries had always been pawns in the confrontation between major agricultural countries of the North and the South. The effect had been devastating for some countries, as evidenced by the sharp drop in cotton prices brought about by the subsidies granted to thousands of farmers in the North. The survival of some 9 million people in western Africa, who depended on cotton farming for their livelihood, was at stake. In order to end that situation and enable Africa to take its rightful place in world trade, particularly in regard to agriculture, the President of Senegal had proposed that an "agricultural Davos" should be organized. The purpose of that meeting would be to put a human face on the work of WTO, so that the rules of world trade would no longer be a set of abstract principles that the weak were bound to follow and the strong could violate at will.

47. **Mr. Gallardo Aparicio** (Bolivia) said that the Committee should focus on ensuring implementation of the agenda outlined in the Millennium Declaration, the International Conference on Financing for Development and the World Summit on Sustainable Development. The existing economic, financial, trade and technological innovation systems were not meeting the needs of the developing countries. The principle of shared but differential responsibility had been reaffirmed at Johannesburg; indeed, the countries that exercised the greatest influence in the operation of the current system should bear the greatest responsibility for changing it. Only through a combination of domestic measures and international cooperation would it be possible to achieve reasonable and sustainable levels of social and economic development.

48. Globalization had widened the gap between citizens within countries and between citizens of different countries. The weaker countries were now faced with greater challenges than ever before. His delegation welcomed the establishment of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, which would follow up and implement the Brussels Programme of Action for the Least Developed Countries and the Barbados Programme of Action for the Sustainable Development of Small Island States. The international community had taken an historic step with the publication of a document devoted especially to the needs of landlocked countries, namely, the Almaty Programme of Action.

49. Given the experience at Cancún, it was essential that trade negotiations should be conducted with a view to enhancing development opportunities for all countries, by removing all tariffs, subsidies and non-tariff barriers to trade. His delegation commended those developed countries that had unilaterally opened up their markets to the least developed countries and hoped that such initiatives would be extended in the near future, at least for the main commodities of small and weak economies. Special consideration should be given to the landlocked countries whose competitiveness was seriously hampered by high transport and other costs.

50. Work relating to the linkage between foreign debt and trade should be continued; in particular, the highly indebted poor countries needed market opportunities in order to obtain foreign currency with which to alleviate their debt situation. Alternative means of financing should be sought for countries that had a limited capacity for indebtedness.

51. **Mr. Langmore** (International Labour Organization) stressed the centrality of employment to poverty reduction and to the creation of equitable and secure societies. At the beginning of the Second Committee's debate, the representative of the Department of Economic and Social Affairs had drawn attention to the disappointing performance of global economies in the first half of 2003. Employment had not yet begun to increase, and the situation was not likely to improve until 2004.

52. The International Labour Organization estimated that between 2000 and 2002 measured unemployment had increased from 160 million to 180 million people. That was only one part of the unemployment problem. There were also about 500 million people who had work of some kind but who were not able to earn enough to sustain themselves and their families. They were the working poor, whose earnings were below the poverty line. Many others were earning so little that they were only just above the poverty line. Unemployment and very low-income work were centrally important issues for the globe at present.

53. It was essential to find strategies for achieving the Millennium Development Goal of halving poverty. Growth of employment was perhaps the most important of those strategies. Without improved income-earning opportunities, there was no possibility of increasing incomes so as to halve poverty by 2015. A strategy for employment growth had been mentioned by a number of delegations, but it had not been a central part of the discussion at the United Nations. At the twenty-fourth special session of the General Assembly, held in Geneva in 2000, there had been agreement that employment growth and poverty reduction should be central parts of national macroeconomic policy. Many changes in national strategy and macroeconomic policy would be required to achieve that goal in all countries. It would be absolutely essential, for example, to increase the availability of credit at moderate interest rates. At present there was a tendency to use monetary policy for stabilization purposes, and it could play that role. But it also had the role of enabling entrepreneurs to access the credit they needed in order to invest and expand. Fortunately, in many countries, inflation was much lower than it had been for the last quarter of a century. It was very important to use that opportunity of lower inflation to ease monetary policy, increase access to credit, reduce interest rates and thus stimulate entrepreneurship. Many other policies would follow as well, but those were just examples.

54. One way of approaching the issue was to organize global and regional conferences. The International Labour Organization was working with the African Union to hold a regional conference in Burkina Faso in 2004 on employment growth and poverty reduction.

55. **Mr. Borith** (Cambodia) said that the world economy faced serious risks arising from geopolitical factors and the constraints imposed by globalization. Many developing countries, especially the least developed ones such as Cambodia, ran the risk of being bypassed and marginalized from the mainstream of the global economy. The United Nations and other international organizations could play an important role in coordinating and strengthening cooperation between Governments, the international community and the international financial institutions so as to ensure that the benefits of globalization were fairly distributed among the nations and peoples of the world.

56. The Millennium Development Goals and the concepts developed during the Johannesburg Summit on Sustainable Development, the International Conference on Financing for Development and the Doha Round of multilateral trade negotiations should be translated into concrete action, with all countries acting together and advancing together. The crucial issue was how to make globalization work to the advantage of all countries. The General Assembly, in cooperation with the Economic and Social Council, had an important role to play in monitoring such efforts.

57. Cambodia had undergone dramatic changes in the last ten years. It had completed the transition from a centrally planned to a market economy, from a one-party to a democratic system of governance and from war and conflict to sustainable peace. Eradication of poverty had been the top priority in the development policy of his Government. The second socio-economic development plan, launched in 2002, focused on raising per capita GDP to around $500 by 2010, halving the level of extreme poverty, raising life expectancy to 60-63 years and adult literacy to over 90 per cent, ensuring access to safe drinking water and adequate sanitation, and improving gender equality. Despite the slowdown in the global economy, the Cambodian economy had remained dynamic since 1999. Garment exports had increased, crop and livestock production remained robust, and international tourist arrivals had increased significantly.

58. While the alleviation of poverty was primarily the responsibility of Governments, international action was extremely important. Joint efforts were needed to deal with the decline in ODA, protection of the environment, debt relief and the HIV/AIDS pandemic. Official development assistance must be supplemented by foreign direct investment (FDI). Experience had shown that ODA and FDI together had played a significant role in the development and prosperity of many countries. Official development assistance remained an indispensable instrument for the growth of

the least developed countries. The question was how ODA could best contribute to bridging the development divide in the world, particularly in regard to human resources development, poverty alleviation and rural development.

59. **Mr. Sharma** (Nepal), commenting on the weak global economy, said that the effects of a slow recovery, when compounded by inherent political and economic problems, had particularly devastating consequences for developing countries. The international community must work in concert to propel the global economy to a higher trajectory of growth and equitable development for the benefit of all.

60. A successful round of talks at Cancún would have stimulated trade and economic recovery, but the uncompromising stance adopted by some countries to retain farm subsidies and barriers to trade had led to failure. It was imperative that the international community should now move forward in a spirit of flexibility and compromise. In spite of the importance of trade as a powerful engine of growth, developing countries had not been able to derive maximum benefits for two reasons. Firstly, the comparative advantages of developing countries were undermined by trade and non-trade barriers imposed by rich countries. Secondly, developing countries suffered supply-side constraints because of weaknesses in their level of technology, productivity and marketing.

61. The magnitude of poverty and underdevelopment was such that developing countries would not be able to grapple with them without increased ODA from their development partners. The plight of the least developed countries was particularly precarious and needed to be addressed with a greater sense of urgency.

62. The lack of access to sea-based resources and high transport costs were of particular concern to landlocked countries such as Nepal. In that regard, he urged Nepal's transit neighbours and development partners to ensure speedy implementation of the Almaty Programme of Action. Under the threat of Maoist insurgency, over the previous seven years Nepal's factories and businesses had been closed, income from tourism and overall growth had plunged, and poverty had increased. His Government had adopted a strategy to bolster its security apparatus, and had undertaken comprehensive reform to provide for the basic needs of people living in poverty and underdevelopment.

63. Nepal needed more development assistance, debt relief, and duty- and quota-free access to markets, in keeping with the Brussels Programme of Action, and had recently established a national focal point for the coordinated implementation of the Programme of Action.

64. He reaffirmed Nepal's commitment to the promotion of free trade and concessionary access to global markets for least developed and other disadvantaged countries. South-South cooperation was as important as North-South partnership and Nepal would continue to work with other South Asian countries in the regional framework and seek to expand cooperation among countries from the South beyond the region.

65. **Mr. Abdalla** (Sudan) said that the failure of the Fifth Ministerial Conference of WTO in Cancún had sent a strong message about the vital need to review the principles on which international economic cooperation was based. It was now time to turn commitments into reality by carrying out the agreed objectives, in which connection his delegation was pleased to be taking part in the Committee's discussions during the current session. The wide discrepancy between the rising numbers of poor in the developing countries and the Millennium Development Goal of reducing by half the proportion of poor by 2015 posed an enormous challenge. In that regard, he hoped that the progress towards peace in the Sudan would have a positive impact on the allocation of resources to its anti-poverty and development programmes, particularly in the areas affected by armed conflict.

66. Special measures were needed to deal with the dire economic and trade situation in the least developed countries and their increasing marginalization in the globalized world. He consequently urged support for the welcome efforts of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing Countries to implement the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010. Without a package of measures designed to tackle the imbalances in the world economy and the increasing gap between rich and poor, the efforts, sacrifices and reforms of the developing countries would be wasted. He reiterated

the Sudanese commitment to the New Partnership for Africa's Development (NEPAD) and looked forward to the concrete support of the international community for that initiative on the part of the African continent to achieve sustainable development.

67. **Mr. Radzi** (Malaysia) said that recent economic statistics should serve as a reminder that the Millennium Development Goals could be achieved only if countries cooperated in a spirit of partnership. The International Conference on Financing for Development had provided new avenues and hope for intergovernmental and inter-institutional dialogue on finance, trade and development issues. It was important for all stakeholders to engage in the many facets of the process and create a mechanism for joint consideration of the issues concerned in an integrated and coordinated manner.

68. In that regard, Malaysia recognized the central role of the United Nations in implementation and follow-up. Governments played a key role through good governance, sound macroeconomic policies, financial discipline, rule of law and political stability to create confidence in their economies. However, without a sound international economic environment conducive to growth, many developing countries would have great difficulty in achieving sustainable development even if they fulfilled those criteria.

69. Sustained economic development for developing countries could not be guaranteed without a strong and firm commitment to reform the international financial architecture which, in its current form, was ill equipped to deal with the complexities and challenges of globalization and, in particular, to protect developing countries. Such reform was urgently required in order to prevent the recurrence of financial crises which had proved devastating to the economies of the developing countries and, to a lesser extent, the developed countries.

70. The High-level Dialogue on Financing for Development scheduled for October 2003 would provide an opportunity for reflection on progress made in the implementation of the Monterrey Consensus, and for action in the achievement of its targets. Similarly, Malaysia welcomed the plans for high-level discussions between the Economic and Social Council, the Bretton Woods institutions and WTO, and indications by the World Bank and IMF of their intention to strengthen efforts in a number of important areas.

71. Malaysia attached great importance to the further implementation of Agenda 21 and the Johannesburg Plan of Implementation. The achievement of those targets and commitments was the greatest challenge faced by the international community in securing sustainable development. Bearing in mind that financial resources, technology and capacity building were essential to successful implementation, Malaysia looked forward to participating actively in the next session of the Commission on Sustainable Development. He joined other speakers in expressing regret for the failure of the WTO Ministerial Conference at Cancún. The impasse highlighted the widening gap between the developed and developing countries, and indicated that the developed countries were not yet prepared to provide greater access to their markets; nor were they focused on development and the improvement of well-being in the developing countries. On the contrary, they favoured the further opening of markets in the developing countries to serve their own interests.

72. The international community must sustain efforts to correct the disparity in the economic relationship between North and South. To that end, all parties should demonstrate their commitment to forging new partnerships for mutual benefit, and not waste the opportunity provided by the United Nations to bring progress and greater civilization to all peoples of the world.

73. **Mr. Leslie** (Belize), speaking on behalf of the Alliance of Small Island States (AOSIS), said that recent events had diverted international attention from the pursuit of a development agenda and the renewed engagement and partnership that had emerged since 2000. In addressing new challenges, it was important to remain responsive to the urgent needs of the wider community of developing nations.

74. The Alliance was reassured by the resounding commitment to multilateralism and the Charter of the United Nations expressed during the general debate at the present session of the General Assembly. Multilateralism was essential to inclusiveness and participation in global decision-making and underpinned the concept of collective security. It also permitted the pursuit of equity and justice within the new economic and trade paradigm. The recent WTO

Ministerial Meeting had illustrated the difficulty of attaining certain equitable trading agreements, but had also highlighted the collective strength of small States.

75. Issues of particular concern to small island developing States were those related to trade and development, commodities, science and technology, external debt, capacity building and institutional development, climate change and sea-level rise, and environmental protection. The small island developing States had already begun preparations for the comprehensive ten-year review of the Barbados Plan of Action, during which they would re-evaluate their progress towards the improvement of the quality of life and the extent to which their contribution to the process of achieving sustainable development had been effective. The review also afforded an opportunity for renewed engagement to secure the continued support of the United Nations system and the donor community in the implementation of the Barbados Programme of Action. Furthermore, it was anticipated that awareness would be raised within the international community of the uniquely vulnerable situation in which most small island developing States found themselves.

76. Empathy for their cause was often tempered by arguments that per capita income in most of their States was relatively high. However, in the majority of cases, high per capita income was a gauge of smallness and a symptom of underdevelopment. Indeed, it was because of the small size of their populations and highly skewed income distribution that the substantial wealth of a few often distorted the average for the whole. In conclusion, he urged Member States to stay the course, in active partnership with small island developing States.

77. **Mr. Martirosyan** (Armenia), touching on the impact of globalization, said that since 1991 Armenia had embarked on the road towards statehood based on the adoption of democratic values and a market economy. His Government had elaborated a Poverty Reduction Strategy Paper which attached great importance to the links between education, promotion of economic activity and poverty reduction. With the active participation of civil society and assistance of donor countries and organizations, Armenia had also adopted an integrated National Sustainable Development Strategy. The Government had received valuable assistance from relevant United Nations bodies in identifying linkages between poverty and environment and in addressing those issues in the national programme.

78. In recent years Armenia's efforts in the area of institution building and market access for Armenian products had yielded positive results. Membership in WTO was expected to further enhance its integration into the world economy.

79. The social and economic problems common to all countries in transition were further aggravated in Armenia by the economic blockade imposed by two neighbouring countries, creating a serious obstacle to economic development for Armenia and the region as a whole. Armenia would remain a strong advocate of the development of regional cooperation in the South Caucasus, and was confident that the implementation of joint projects would promote beneficial interaction among countries in an atmosphere of trust.

80. His Government had declared the information and communication technology (ICT) sector a priority area, and had been collaborating successfully with pertinent international institutions. It had been recognized that ICT was central to the creation of a knowledge-based economy and could play an important role in accelerating growth in developing countries and in facilitating their effective integration into the global economy. In that regard, the United Nations could play a key role in promoting synergies and coherence of all efforts directed at expanding the development impact of ICT.

81. With reference to landlocked and transit developing countries, he said that the Almaty Programme of Action was the first promising global action plan of its kind recognizing the special needs of such States, which reaffirmed rights of access and freedom of transit, in accordance with rules of international law.

82. **Mr. Sengi** (Papua New Guinea) recalled that the focus of the international community was on implementation of the instruments that had been adopted to meet the many challenges facing the world today. His delegation was interested in the potential role of the Committee in the attainment of the Millennium Development Goals and the outcomes of major international conferences. The breakdown of the WTO Ministerial Conference was particularly disheartening. While there was no doubt that the developed countries were sincere in addressing the critical issues facing developing countries, greater

understanding and flexibility was needed to accommodate the interests of the developing world, and he called for renegotiation of the WTO Cancún agenda at the earliest possible juncture.

83. The ratification of the Kyoto Protocol was another issue of particular concern to Papua New Guinea. He again urged the developed countries which had not yet ratified the Protocol to do so, and to take firm steps to reduce greenhouse gases, assist in efforts to mitigate the effects of such emissions, such as adaptation measures and relocation of affected populations. The Committee should aim at enhancing understanding on the part of the countries concerned, especially the United States, the Russian Federation and Australia, so that they would ratify the Kyoto Protocol and provide meaningful assistance for small island developing States to address issues related to climate change and sea level.

84. Papua New Guinea attached great importance to the process of review of the Barbados Programme of Action, and he acknowledged the contributions of New Zealand, Australia and other stakeholders to the current regional preparatory meetings. He appealed to other developed countries and development partners to assist small island developing States in taking stock of their achievements and in identifying action to be taken.

The meeting rose at 1.15 p.m.

United Nations A/C.2/58/SR.6

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Second Committee

Summary record of the 6th meeting
Held at Headquarters, New York, on Thursday, 9 October 2003, at 10 a.m.

Chairman:	Mr. Chowdhury	(Bangladesh)
later:	Ms. Cronenberg-Mossberg	(Sweden)

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General debate *(continued)*

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

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03-54968 (E)

The meeting was called to order at 10.10 a.m.

General debate (*continued*)

1. **Mr. Chungong Ayafor** (Cameroon) said that there was a tendency not to respect the commitments entered into at the cycle of conferences on international economic development. That was particularly true of the Monterrey International Conference on Financing for Development, the Millennium Summit, and the Johannesburg World Summit on Sustainable Development. At Cancún the World Trade Organization (WTO) had failed to place development at the heart of trade negotiations despite the commitments made at Doha. In that context the Second Committee must reflect on ways of turning commitments into realities. The key word must be "implementation".

2. Avenues of action should include accelerated efforts to achieve the Millennium Development Goals, fulfilment of the Monterrey commitments, implementation of the Doha Development Agenda, and increased support for the New Partnership for Africa's Development (NEPAD). The forthcoming High-level Dialogue on Financing for Development would test the will to take up the challenges.

3. The Committee must also consider ways of making itself more effective, in particular by rationalizing its agenda and improving coordination with the other Main Committees dealing with similar issues. The recent joint meeting of the Bureaux of the Second and Third Committees was therefore welcome, and the exercise should be taken further.

4. **Mr. Sabbagh** (Syrian Arab Republic) said that the global economic recession and instability of recent years had impacted heavily on the economies of the developing countries, thus widening the gap between North and South, despite all the numerous and varied attempts to prevent that occurrence. Faithful and effective implementation of the outcome of United Nations conferences and summits should therefore be a main priority of the international community. Combined with the absence of political will, however, the failure of Member States, in particular the developed countries, to fulfil the commitments made at those conferences was liable to undermine confidence in the ability of the Organization to solve the problems of development, notably poverty, and cause an unprecedented deterioration in the situation. The major event to be convened in 2005 in order to review the progress achieved in implementing such commitments was therefore extremely important, as were the current review of the Monterrey Consensus and the work of the Commission on Sustainable Development, all of which were relevant to the Millennium Development Goals. He also welcomed in principle the Japanese offer to host an international conference aimed at drawing up a new strategy for disaster limitation in the twenty-first century.

5. Owing to their lack of advanced information and communication technology, the developing countries were denied the opportunities promised by globalization and their economies were even further marginalized. It was therefore time to progress to a more civilized form of globalization with a human face that allowed everyone to benefit from the major scientific and technological achievements of the past two decades. In regard to environmental matters, he reiterated the Syrian support for the United Nations Convention to Combat Desertification and welcomed the choice of the Global Environment Facility as its funding mechanism. He also endorsed the proposal to declare 2004 the International Year to Combat Desertification.

6. The international community had frequently affirmed that foreign occupation posed a major threat to sustainable development, as in the case of his own region, where the inhabitants continued to suffer the effects of daily violations of their rights and of their sovereignty over their resources. It was no exaggeration to say that they consequently regarded discussions about the requisites of development as a waste of time. The Member States of the Organization should work to establish a fairer and more equitable international system that restored usurped rights, sought fruitful cooperation and promoted openness to a moral, civilized and humane form of interaction that would permit the achievement of sustainable development for all.

7. **Ms. Mammadova** (Azerbaijan), speaking in exercise of the right of reply to the statement made by the representative of Armenia at the preceding meeting, said that there was no economic blockade by any neighbouring State against Armenia. That country was bordered not only by Azerbaijan but also by three other countries with which it was not in conflict, namely, Iran, Turkey and Georgia, and it could use and had used their communication lines to receive the goods it needed.

8. As a result of Armenian aggression against Azerbaijan, the entire region of Nakhichevan (the non-contiguous part of Azerbaijan) was now totally cut off from the mainland of Azerbaijan. It was precisely the aggression and occupation by Armenia of almost 20 per cent of the territory of Azerbaijan that had led to the disruption of economic links between Azerbaijan and Armenia. Had it not been for the destructive position taken by Armenia during negotiations on the settlement of the conflict within the Minsk Group of the Organization for Security and Cooperation in Europe (OSCE), the problem would have been resolved, and peace and stability would have been restored in the South Caucasus region. Unfortunately Armenia, which had opted for the policy of deluding the international community and using any opportunity to misinform the Committee, had rejected the well-known proposal by Azerbaijan to open up communication links between the two countries as part of the package of confidence-building measures, which included the evacuation of Armenian occupation forces from four regions along the railroad linking Armenia, through the Nakhichevan region of Azerbaijan, to mainland Azerbaijan. Armenia had rejected that proposal, which was supported by the European Union, by saying that it did not need the road. One wondered what blockade was being referred to. It was obviously in the interest of Armenia to stall negotiations and continue to complain that it was under a blockade.

9. The official position of Azerbaijan was that the occupied territories must be liberated, and one million refugees and internally displaced persons must be returned to their homes. Only then could Armenia count on economic cooperation with Azerbaijan. As to the point regarding regional cooperation, Armenia would be well advised not to confuse two different issues. It was economic cooperation with Azerbaijan that was impossible, for the reasons she had mentioned. Azerbaijan strongly promoted regional cooperation and was participating in numerous regional, transregional and multinational projects and initiatives.

10. **Mr. Sahakov** (Armenia), speaking in exercise of the right of reply, noted that, in the statement made by the Permanent Representative of Armenia at the preceding meeting, Azerbaijan had not been mentioned. However, the blockade of Armenia was obvious and had been well documented by many international organizations and observers. What the delegation of Azerbaijan called aggression was self-defence of the population of Nagorny Karabakh against the regular army of Azerbaijan.

11. The Government of Armenia had, on many occasions, clearly expressed its willingness to open the borders to Nakhichevan without any pre-conditions. However, the Government of Azerbaijan had always linked the opening of borders with a political solution of the Nagorny Karabakh conflict. That was what was impeding the process of opening borders for Nakhichevan.

12. It would be too time consuming to respond to the rhetoric of the Azerbaijani delegation, which had increased under the pressure of upcoming presidential elections in that country. The Second Committee was not the right forum for raising internal political issues.

13. **Ms. Mammadova** (Azerbaijan), speaking in exercise of the right of reply, said that it was the understanding of her delegation that countries were allowed, in the general debate, to share their views and recommendations on the work of the Committee and how it might be streamlined. It was the Armenian delegation that had raised the issue of the conflict between Azerbaijan and Armenia. If the Armenian delegation was in favour of not politicizing the meeting of the Committee, why had it done so? Many delegations would recall that the same situation had arisen in the Preparatory Committee for the Conference of Landlocked and Transit Developing Countries. In its statement to the Second Committee, her delegation had not mentioned the issue of the application of unilateral economic measures. Sometimes there was no necessity to name a country, because delegations were familiar with the geography of the region and would know what country was being referred to. The inaccuracies and disinformation that the Armenian delegation constantly perpetrated had compelled her delegation to exercise its right of reply, in order to prevent delegations from being misled.

14. **Mr. Sahakov** (Armenia), speaking in exercise of the right of reply, asked the representative of Azerbaijan what inaccuracies she was referring to. The blockade was obvious. There was no aggression on the part of Armenia, but merely self-defence. The situation with regard to Nakhichevan was obvious and well-known. As to regional cooperation, Armenia had always expressed its willingness and its confidence that interaction between all the countries in the region could

create an atmosphere of trust and a favourable climate for reducing existing tensions.

15. **The Chairman** said that the Committee had thus concluded the general debate. The backdrop to the discussion had been the fledgling global economic recovery, which was fraught with continuing geopolitical uncertainties and had suffered a setback at the Cancún Conference. The need to implement commitments made at the Millennium Summit and at Monterrey, Johannesburg and other United Nations conferences had been widely emphasized: concrete action rather than words was needed.

16. After summarizing the main topics addressed by speakers in the debate, he noted a number of new proposals, which he hoped would be taken up in the negotiations in the Committee. A key strand in what had been a rich debate was the impact of globalization and the fragile world economic situation and its implications for development and for poverty eradication. As it reflected on how to improve its work, the Committee might consider focusing the 2004 general debate on those issues.

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) (A/58/179, A/58/204 and A/58/72-E/2003/53)

17. **The Chairman** said that progress in eradicating poverty remained extremely slow. The necessary economic growth must be pro-poor. The key to poverty eradication was the promotion of agriculture, small-farm and rural manufacturing and other non-farm activities. Microcredit was a powerful tool in that context, which had been used very effectively in his own country. The difficulty of achieving the Millennium Development Goal of halving extreme poverty by 2015 was well known; in addition to the focus on growth, equal attention should be given to the role and status of women, HIV/AIDS, infant and maternal mortality and increased agricultural productivity.

18. **Mr. Lee** (Chief, Poverty Eradication and Employment Section, Division for Social Policy and Development) introduced the report of the Secretary-General on implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) and draft programme of action for the International Year of Microcredit, 2005 (A/58/179). Having outlined the content of the two parts of the report, he drew the Committee's attention to the recommendations relating to the International Year of Microcredit, in particular the recommendation that the Department of Economic and Social Affairs and the United Nations Capital Development Fund (UNCDF) should coordinate the activities for the Year.

19. He further drew the Committee's attention to the note by the Secretary-General on the establishment of the World Solidarity Fund (A/58/72-E/2003/53) and to the ceremony to mark the International Day for the Eradication of Poverty, to be held on 17 October.

20. **Mr. Anwarul Chowdhury** (High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States) said that poverty was the main scourge facing humanity, in particular in the least developed countries. The Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 had reaffirmed the responsibility of the international community to uphold the principles of human dignity, equality and equity while making substantial progress towards poverty eradication. Poverty in the least developed countries could be reversed if the countries themselves and their development partners fully implemented the commitments made.

21. The Secretary-General's campaign to achieve the Millennium Development Goals addressed as key targets the needs of the least developed countries. But there would be no headway unless those countries received increased support. All poverty-reduction strategy papers must bear that point in mind. The Brussels Programme of Action recognized the pivotal role of rural development. Microcredit programmes effectively mobilized savings and delivered financial services to poor rural dwellers, particularly women, and were a powerful engine for employment creation, poverty eradication and reduction of gender inequality.

22. A gender-equality perspective would facilitate attainment of the goal of halving the number of people living in extreme poverty by 2015. The global campaign launched by the Washington Microcredit Summit in 1997 was expected to reach 100 million of the world's poorest families. The latest calculation indicated that the number of people with access to microcredit schemes now stood at 31 million, as against the 1997 figure of 7.6 million. Women accounted for about two thirds of that total. The programmes of the Grameen Bank in Bangladesh, 95

per cent of whose beneficiaries were women, provided a shining example of women's empowerment through microcredit. UNCDF was also to be commended for its work on poverty eradication through microcredit, which was stimulating increased demand in the least developed countries. Donor support for the UNCDF microcredit programmes was crucial. The newly established World Solidarity Fund would also require adequate resources.

23. The recent estimates of per capita gross domestic product in the least developed countries illustrated how enormous the challenges were. His Office fully supported the microcredit campaign and would work with United Nations bodies, civil society and the private sector to make the International Year of Microcredit a success. The Asia-Pacific regional microcredit summit to be held in February 2004 would be an important first step. As the campaign documents stated, microcredit was foreign aid that worked.

24. **Mr. Aboutahir** (Morocco), speaking on behalf of the Group of 77 and China, said that the report gave a useful overview of progress made in reducing poverty in the developing world. The first United Nations Decade for the Eradication of Poverty (1997-2006) was expected to achieve the target of halving the proportion of the world's population whose income was under one dollar a day, and the number of victims of hunger by 2015, through action at the national level and international cooperation.

25. The Group of 77 and China had noted with great concern, however, that progress had been uneven and that the prospects for most of the developing world were dismal, particularly in Africa, where population growth would hinder efforts to attain sustainable development. The effect of the spread of HIV/AIDS on human development, economic growth and poverty in many countries was another factor complicating the situation. Poverty eradication was indispensable to sustainable development, and at the same time the persistence of poverty posed a major threat to global prosperity, security and stability. The solution depended on a number of factors, which included the reinforcement of financing for development and market access for exports from developing countries. Debt servicing by the heavily indebted poor countries and low-income developing countries continued to adversely affect their sustainable development, social development programmes and national poverty eradication strategies.

26. The Group of 77 and China shared the view expressed by the Secretary-General that balanced and equitable international trade was one of the means through which to assist countries in eradicating poverty and famine and in achieving the Millennium Development Goals. In order for poverty eradication efforts to be effective, it was imperative for developing countries to be integrated into the world economy, sharing the benefits of globalization.

27. Turning to the draft programme of action for the International Year of Microcredit, 2005, he said that microcredit was a powerful tool in the promotion of production, self-employment and empowerment. The Group of 77 and China encouraged donors to help developing countries to implement their policies that supported microcredit schemes and the development of microcredit institutions and related capacity building.

28. Recalling that the primary objective of the New Partnership for Africa's Development (NEPAD) was the eradication of poverty and promotion of sustainable development, he urged developed countries and the United Nations system to support NEPAD and to complement the efforts undertaken by Africa to overcome the challenges it faced.

29. In conclusion, he stressed the importance of honouring commitments to the Brussels Declaration and Programme of Action and the operationalization of the World Solidarity Fund as a matter of urgency.

30. **Mr. Bernardini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, said that the fight against poverty was a matter of equity and a moral imperative. The Millennium Declaration had established an overarching framework for action on the eradication of poverty as a means to promote sustainable development. Furthermore, the outcomes of the major international conferences and summits had reinforced the commitment of the international community in that regard, and had indicated that the best way to increase choices and opportunities for people living in poverty was to focus attention on areas such as food security, education, health, water, sanitation, environment, human resource development, rural, local and community development, human settlements and productive employment. The European Union was looking forward to exploring the thematic clusters (water, sanitation and human settlements) at

the twelfth session of the Commission on Sustainable Development.

31. He also highlighted the need for global leadership and partnership and for adequate resources to combat the HIV/AIDS pandemic. The European Union was also strongly committed to the promotion of gender equality and women's empowerment, and believed that a gender perspective must be mainstreamed in development strategies and policies at all levels, including in the work of the United Nations.

32. Experience had shown that pro-poor policies, implemented within a framework of good governance and conflict prevention, were a prerequisite for poverty eradication. Solid democratic institutions responsive to the needs of the people, domestic stability, respect for human rights and the rule of law, gender equality and market-oriented policies should be the priorities of every country engaged in the fight against poverty. Domestic policies in the area of taxation, income redistribution, job creation, and anti-corruption measures were equally important. They were mutually reinforcing factors that created a sound macroeconomic environment and an appropriate framework for investment and trade conducive to sustainable development.

33. As a top donor of development assistance and the single biggest investor in developing countries, the European Union was playing a leading role in responding to those challenges. Its efforts were based on its unwavering conviction that lasting prosperity required mutually reinforcing strategies for stable economic growth, social development and environmental protection. Without proper assistance from the international community, developing countries would never escape from the vicious cycle of poverty.

34. As the world's largest trading partner, the European Union reaffirmed its commitment to promoting international trade as an engine for development, increasing international financial and technical assistance for development, implementing sustainable debt financing and external debt relief, and enhancing the coherence and consistency of the international monetary, financial and trading system.

35. The European Union welcomed the positive impact that sound microfinance was having on the lives of the poor and was ready to pursue the goal of giving new impetus to microcredit programmes worldwide. The fight against poverty could be won through enhancement of international cooperation and partnership.

36. **Mr. Hassan** (Pakistan) noted with concern that, despite the pledges of the Millennium Declaration, there was no hope of halving global poverty by 2015. Only a comprehensive and integrated approach, based on the principle of shared responsibility, could help eradicate poverty. The Monterrey Consensus reaffirmed the international community's commitment and provided a global compact and an exit strategy from poverty, deprivation and despair. Developing countries should continue to improve their policy framework and governance, while development partners needed to act speedily to enhance the transfer of resources to developing countries through improved market access and improved quality and level of ODA.

37. Debt relief was yet another means of promoting development. The combination of extreme poverty and indebtedness had plunged a large number of low-income countries into a desperate downward spiral. However, trade could boost economic growth, generate employment and reduce poverty in developing countries and was the single most important external source of financing for development.

38. Pakistan had taken a number of steps to face the challenges of poverty. Firstly, the Government had adopted an approach focused on economic growth, investment in human capital, targeted interventions, improved governance and greater social safety nets. Secondly, the Government had established the human development fund aimed at poverty alleviation and had undertaken stringent policies and far-reaching reforms. The results, at the macroeconomic level, were evident in stable currency, low inflation, improved levels of foreign exchange reserves, a decline in fiscal deficit and public debt as a proportion of gross domestic product, a vibrant stock market and better targeted growth than had been anticipated.

39. Microcredit was one of the most effective tools for poverty eradication, not merely as a means of gaining access to credit, but also as a tool for empowering families and communities within their homes and villages. It held promise for the improvement of conditions in poor communities and for its ability to galvanize households. The International Year of Microcredit would provide an opportunity for the United Nations to strengthen international cooperation in that sphere. Pakistan was

pleased to note the constructive proposals presented in the report of the Secretary-General (A/58/179), which would greatly assist developing countries in their effort to alleviate poverty by enhancing the income of the poorest people through the generation of economic activity.

40. Pakistan had introduced a third generation microfinance programme providing for a policy on microfinance and a regulatory framework and encouragement to the private sector to establish microfinance institutions. The Government was also assisting non-governmental organizations and rural support programmes at the grassroots level to help communities gain access to microcredit and provide training in various entrepreneurial skills and capacity-building. The integrated approach of those initiatives had met with much success. In the previous three years, microcredit programmes had expanded in scope and were expected to serve approximately one million clients by 2005. In spite of the well-established institutional and legislative framework to promote microcredit, the Government was aware that certain challenges remained.

41. *Ms. Cronenberg-Mossberg (Sweden), Vice-Chairman, took the Chair.*

42. **Mr. Zhang** Yishan (China) said that the solution to the problem of poverty required not only the efforts of the developing countries themselves but, more importantly, the strong support and cooperation of the international community. All necessary measures must be taken to create an international economic environment favourable to poverty eradication and development. The international community should speed up the implementation of the outcomes of the International Conference on Financing for Development, and strive to improve ODA, direct investment and debt relief. The international trade system must reflect in a balanced way the concerns of all parties, including those of the developing countries. In addition, the international community and developed countries should strengthen the capacity building in developing countries through the transfer of technology and other means.

43. All countries bore primary responsibility for their own development, and developing countries should incorporate poverty alleviation into their overall programmes of national economic and social development according to realistic goals. At the same time, donor countries and international aid agencies should attach importance to ownership by recipient countries.

44. A comprehensive partnership, led by the national Government, was a multifaceted undertaking which required the participation of entire societies and the cooperation of the international community. Therefore, it was crucial that all relevant stakeholders should establish such a partnership, exchange experience, and strengthen cooperation in order to effectively solve the problem of poverty. China's efforts to eradicate poverty were not only conducive to its own economic development but were also of importance to world development. Over the past two decades, China had been enjoying economic stability, rapid growth and markedly improved living standards. However, China was a low-income developing country with a population of 1.3 billion, with a large number of people living in poverty. In recognition of the fact that poverty alleviation was a long-term and arduous task, the Government of China had formulated new strategies taking its national conditions into consideration. China was prepared to enhance exchanges and cooperation with all countries for the improvement of general well-being.

45. **Ms. Viotti** (Brazil) said that the undeniable links between trade and development had been recognized at Doha, Monterrey and Johannesburg. Greater trade opportunities for developing countries could be instrumental in generating income, employment and development. Market access for products of developing countries, the phasing out of agricultural subsidies and the elimination of other trade distorting measures in developed countries were essential if trade was to be a true engine for development and poverty eradication. Despite the lack of concrete results at the Cancún WTO Ministerial Conference, Brazil remained fully committed to the strengthening of WTO and to a constructive engagement in the upcoming multilateral trade talks.

46. The eradication of poverty and hunger was a national priority in Brazil. In view of the multiple dimensions of poverty, eradication strategies involved coordination among different governmental institutions at the federal, state and municipal levels, as well as the active participation of civil society and the private sector. Her Government had adopted a "Zero Hunger Programme" aimed at eradicating hunger in four years. That programme encompassed not only specific and

local actions but also structural measures with long-term impact that addressed the root causes of hunger and poverty, including employment and income generation, land reform and capacity-building. President Lula, who had made the eradication of that scourge a personal commitment, had, together with the leaders of India and South Africa, recently created a Trilateral Commission to contribute to the eradication of poverty worldwide, in line with the Millennium Development Goals. She invited the international community to support that initiative.

47. The proclamation by the General Assembly of 2005 as the International Year of Microcredit was a direct result of the recognition of the role of microcredit in the eradication of poverty as well as of its positive impact on people's lives. Microcredit had helped to lift people out of poverty and empower the poor, not only in Brazil but in other parts of the world as well. The Year would provide an opportunity to raise awareness and share experiences in that area, thus contributing to the achievement of the Millennium Development Goals.

48. Noting that, since the ultimate goal of both the major event to assess the implementation of the Millennium Declaration in 2005 and the review in 2005 of progress in the implementation of the Monterrey Consensus on Financing for Development was to make globalization more inclusive, equitable and fair and to bring economic growth, sustainable development and social justice to the entire world, she said that those events should be integrated and coordinated, building on synergies between them.

49. **Mr. Alcalay** (Venezuela) said that the first United Nations Decade for the Eradication of Poverty was the most complex and most important item on the Committee's agenda. After taking note of the report of the Secretary-General (A/58/179), he said that the road ahead was full of challenges that rich and poor countries alike had to overcome if they were to achieve the goal set in the Millennium Declaration of halving the proportion of people living on less than one dollar a day by 2015. The key to achieving that goal was integrated strategies that combined, at the national, regional and international levels, all the necessary measures, including both North-South and South-South cooperation. Structural changes were needed to holistically deal with all relevant factors, including health, education and access to water and sewage services. The challenge of poverty eradication also required the elimination of all the economic and financial barriers that the international economic and trading system had been erecting over the years. That would enable developing countries to make major investments in social infrastructure, the return on which would be the progressive reduction in the numbers of poor people and an increasingly humane and just society. In that regard, he expressed support for the draft programme of action for the International Year of Microcredit, 2005.

50. Venezuela was currently hosting the Organization of American States (OAS) High-Level Meeting on Poverty, Equity and Social Inclusion. The outcome of that meeting should reflect the commitment of OAS member States to combating poverty and building a more dynamic and just society throughout the Americas. At the national level, his Government had designed public policies that involved all social forces in the efforts to realize Simón Bolívar's dream of a democratic, egalitarian, ethical, enlightened and just system. It was carrying out a variety of programmes in the areas of education and poverty eradication, including the pilot programme for the development of urban and pre-urban agriculture. A total of 111,000 housing units had been built, 17 million people had received basic medical and hospital care under the neighbourhood-based medical programme and 2,090 land ownership deeds had been granted. The purpose of those policies was not only to achieve immediate results but to improve the quality of life of Venezuelans and, in so doing, build a diversified, competitive and innovative economy.

51. **Mr. Doig** (Peru), speaking on behalf of the countries belonging to the Rio Group, said that poverty eradication was the greatest challenge facing the world at present and was at the centre of the commitments undertaken in the Millennium Declaration and the Monterrey and Johannesburg Summits. However, it was doubtful that the Millennium Development Goals would be achieved by 2015. In the case of the Latin American region, poverty and indigence rates had remained constant since 1997. More than 60 per cent of the rural population of Latin America and the Caribbean had income levels below the poverty threshold. Agriculture and related activities were still the main source of employment for many people in the region, particularly indigenous men and women. The support of the international community for that sector was essential.

52. At their recent summit meeting in Cuzco, Peru, the Heads of States of the 19 countries of the Rio Group had stressed the need to give priority to eradicating poverty, particularly extreme poverty. Any effort to reduce poverty and to combat malnutrition and hunger must begin with children, and the role of women in such initiatives must be strengthened. The Rio Group called on the international community to meet the goals set out in the Declaration and Plan of Action for Children. Mainstreaming of the gender approach in development policies was also important. Long-term social policies should target the poor and the most vulnerable groups.

53. Efforts to overcome poverty must be based on effective social policies and responsible economic policies; social and economic policies must be complementary and consistent with each other. Persistent and growing unemployment was one of the greatest challenges facing the Rio Group countries and was the main cause of income poverty. Unemployment was a result not only of slow economic growth but also of the wide gap in productivity between developed and developing countries, of protectionism in trade and of the drop in external financing. Technical and financial assistance for developing countries was essential to promote human development and eradicate poverty. Access to credit and savings mechanisms was crucial, but such mechanisms were not in themselves sufficient to ensure sustainable development for the poor, particularly in the rural areas. Producers needed adequate roads to get their products to market, as well as access to technology, technical training, reasonable prices and a favourable regulatory environment. A comprehensive strategy was required that would include measures to promote education, science and technology in order to strengthen competitiveness, ensure access for people in the lower income sectors and allow the countries of the region to become part of the information society.

54. With regard to the external sector, there must be a greater opening up of international markets so as to generate growth, increase employment, improve income distribution, reduce external vulnerability and encourage productive investment.

55. The success of all the Millennium Development Goals depended on the developed countries meeting their commitments in connection with goal 8, particularly in regard to international trade, debt relief and development assistance. The Rio Group called for the establishment of a time frame for meeting those commitments similar to the deadline of 2015 that had been set for the first seven goals. While it was true that Governments needed to increase the efficiency of their own investment in the fight against hunger, it was also important to improve coordination between the agencies of the United Nations system and to increase the resources earmarked for development cooperation by the international financial agencies.

56. The Rio Group fully supported efforts to promote microcredit, which was needed in order to reduce poverty and strengthen the financial capacity of the poor, especially women. Investing in producer and craft associations, rural cooperatives and other endeavours among the poor, especially women, would substantially improve their opportunities to be integrated into the market system. The Rio Group welcomed the proposal submitted by the Secretary-General on the programme of action for the International Year of Microcredit, 2005.

57. **Mr. Talha** (Bangladesh) noted that, more than halfway into the first United Nations Decade for the Eradication of Poverty, 1.2 billion people throughout the world were still languishing in extreme poverty. As the Secretary-General's report pointed out, that number would for the most part be roughly the same in 2015, if current ODA levels did not rise. While his delegation welcomed the establishment of the World Solidarity Fund and innovative ideas such as the establishment of the proposed International Finance Facility to augment the flow of ODA, it believed that the resources of any such fund should complement, not replace, other resources earmarked for pro-poor sustainable development.

58. Bangladesh attached great importance to microcredit as a tool for poverty eradication and for empowering women, improving health and sanitary conditions and educating people. Indeed, the success of microcredit as a tool for eradicating poverty was well documented. His country's microcredit programmes attacked poverty at its source by increasing participants' household consumption expenditures. Through microcredit borrowing, 5 per cent of programme participants could lift their families out of poverty every year. As a result of the 1997 Microcredit Summit in Washington, D.C., millions of people in the developing world now had access to borrowing services. As of December 2001, a total of 2,186 microcredit institutions had serviced some 54.9 million

clients, 26.8 million of whom were first-time borrowers.

59. **Mr. Al-Haddad** (Yemen) said that the eradication of poverty was a subject of concern to the entire international community, because of the wide economic, social and technological gap between the worlds of the rich and poor. Although relative progress had been made in reducing poverty, the low levels of growth in the poorest countries, particularly in sub-Saharan Africa, had raised fears that, in their case, the poverty reduction goal in the Millennium Declaration was unlikely to be achieved by 2015. Poverty eradication demanded an integrated approach and a linkage between solutions and sustainable development issues. It was therefore vital to adhere to the Plan of Implementation adopted at the World Summit on Sustainable Development by devoting attention to education, human resources, health care, human settlements, rural development and all matters relating to poverty eradication. Although poverty eradication was essentially the individual responsibility of each country, the increasing division of the world into rich and poor posed a substantial threat to global prosperity, security and stability. Concerted international efforts to help the developing countries to achieve sustainable development were therefore more crucial than ever.

60. One of the least developed countries, Yemen was tackling poverty from all angles with the aim of ensuring a better life for its citizens, in particular by implementing a poverty reduction strategy, the first phase of which had been designed with input from all sectors of Yemeni society and approved by the International Monetary Fund in 2001. The current second phase had also been prepared following wide consultation with various actors at the national, regional and international levels. Within the overall context of their national anti-poverty plans, the concerned authorities also sought to incorporate the outcomes of relevant United Nations summit conferences, including the Millennium Development Goals, the Monterrey Consensus and the Plan of Implementation which had emerged from the World Summit on Sustainable Development.

61. Yemen attached particular importance to microcredit as a means of reducing poverty and unemployment, to which end it had established its own Social Development Fund. He also welcomed the measures under way in connection with the operation and strategy of the World Solidarity Fund, which would help to finance projects designed to eradicate poverty. In conclusion, he stressed that the 49 least developed countries suffered most from the damaging effects of poverty and therefore merited greater and more varied support, including further ODA, debt relief and easier global market access for their agricultural products, that would ultimately strengthen their capacity to eradicate poverty and improve the quality of life of their citizens by helping them to build a better future.

62. **Ms. Mohamed** (Kenya) said that, despite her Government's best efforts to fully utilize domestic resources for development and poverty reduction, external assistance and international cooperation were still vital to achieving the Millennium Development Goals in Kenya. That was all the more crucial since the efforts to eradicate poverty had been further impeded by the devastating effects of the HIV/AIDS pandemic, a national disaster which had robbed Kenya of its best human resources, adversely affecting economic development. In that regard, although prevalence rates were declining as a result of efforts to combat that scourge, Kenya needed greater and more affordable access to anti-retroviral drugs. She therefore welcomed the decision to implement paragraph 6 of the Doha Declaration on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and public health and hoped it would enable developing countries to import generic drugs to combat HIV/AIDS and other diseases.

63. Her Government recognized that transparency and good governance at the national and international levels were prerequisites for global economic development and prosperity. Outlining the measures taken by her Government, she noted that at the international level the decrease in ODA and foreign direct investment, together with international trade imbalances and the external debt problem, had greatly contributed to the underdevelopment of the third world. She therefore called for expeditious implementation of the Millennium Declaration and the Johannesburg Plan of Implementation.

64. Microcredit could play a crucial role in poverty eradication, empowerment of vulnerable groups and development of rural communities and the International Year of Microcredit in 2005 would afford the international community an opportunity to raise awareness and share best practices in the financing of pro-poor programmes through microcredit. She

welcomed the establishment of the World Solidarity Fund for the elimination of poverty and called for contributions to the Fund to enable it to commence operations as soon as possible.

65. **Mr. Talbot** (Guyana) said that the fight against poverty remained a foremost challenge to the international community and to many individual countries. Guyana's Poverty Reduction Strategy, which envisaged halving the current level of poverty by the year 2015, as well as the National Development Strategy documents, underpinned the adoption of an integrated socio-economic approach to national policy-making and had benefited from broad-based consultations with civil society organizations. Although international assistance had been forthcoming, efforts to combat poverty had largely been constrained by the international economic environment. As a heavily indebted country, Guyana had been able to secure some assistance towards reducing its debt-servicing burden, but resources were insufficient to meet needs in the social sector, particularly in the areas of education, health and housing.

66. At the global level, the worsening terms of international trade, the failure of some countries to meet their ODA commitments and the slow pace of implementing the Heavily Indebted Poor Countries (HIPC) Debt Initiative had translated into insufficient and unstable financing for development. Sustained support was also needed for national efforts to maximize the private sector's contribution to development, job creation and poverty eradication. Microcredit was an important instrument in the fight against poverty because of its ability to promote production and self-employment and empower people living in poverty, especially women. He urged bilateral and multilateral donors to assist developing countries to implement policies that supported microcredit schemes and the development of microfinance institutions.

67. Success in meeting the objectives of development and poverty elimination depended not only on good governance within each country but also on good governance at the international level and on transparency in the financial, monetary and trading systems. It was imperative, in that context, for developing countries to participate fully and effectively in the decision-making of international financial forums, whose policies and decisions had a profound impact on their people. His delegation strongly endorsed the Secretary-General's call, in his report on the outcome of the Millennium Summit, for a greater role for developing countries in global decision-making. Among other things, the failure of the recent WTO Conference in Cancun afforded an opportunity to refocus on consolidating the vital link between trade and development. The United Nations must play a key role in that regard through the High-level Dialogue on Financing for Development and in the process leading up to the eleventh session of UNCTAD (UNCTAD XI).

68. **Mr. Stachelin** (Switzerland) said that his statement would focus on the issue of microfinance. As stated in the Monterrey Consensus, a well-regulated and supervised national financial sector was critical for the mobilization of domestic savings and the reallocation of those savings to sectors where high levels of investments were needed. Much of the demand for financial services remained unmet. There was a need for a diversified range of new products as well as new technologies to reduce transaction costs. Financial service providers should include not only non-governmental microfinance institutions but also savings and loan cooperatives, community finance institutions, commercial banks, insurance companies and other financial institutions. Large-scale and sustainable microfinance could be effective only if financial services for the poor were integrated into the overall financial system. Demand-driven financial products, including microfinance, were the mainstays of a financial sector committed to winning the public's trust, improving the level of savings mobilization and ensuring the widest possible access to financial services.

69. Switzerland welcomed the idea of the International Year of Microcredit. It would participate in the Year and contribute to activities in Switzerland, in partner countries and at the global level, with a view to promoting public awareness, offering support to microfinance and to financial sector programmes and contributing to the development of financial sectors that would respond to the needs of all concerned. The term "Year of Microcredit", however, did not do justice to the whole range of financial products and services involved. An extensive range of financial products and services was involved, including credit, savings, insurance and asset-building mechanisms. In addition, the promotion of a year of microcredit in Switzerland and other European and North American countries

would be difficult, as the word "microcredit" had a very negative connotation, evoking notions such as usury interest, consumer credit and indebtedness of the poor. His delegation therefore strongly urged the General Assembly to change the title to "Year of Microfinance".

70. Finally, Switzerland wished to express its support for the United Nations Capital Development Fund (UNCDF). His delegation thanked the Department of Economic and Social Affairs for providing secretariat support for the implementation of the International Year and its coordination within the United Nations system. He would also like to stress the importance of obtaining the full involvement of the Consultative Group to Assist the Poor in that important undertaking.

71. **Mr. Maiga** (Mali) said that, since 1997, his Government had been engaged in an all-out effort to combat poverty. In May 2002, it had adopted a strategic framework for the fight against poverty which served as a point of reference for all its development policies and strategies. The purpose of the strategic framework was to create a macroeconomic and institutional environment that would be conducive to growth and would enable the population to participate in and benefit from such growth. The overall objective was to reduce poverty from 63.8 per cent of the population to 47.5 per cent by 2006. The specific objectives were related to sectoral programmes and entailed bringing the growth rate to 6.7 per cent a year by 2006. The aim was to achieve an investment rate of 24.8 per cent, an inflation rate below 3 per cent and a balance-of-payments deficit of less than 9 per cent by 2006.

72. The national institutions responsible for gathering and analysing data on the living conditions of the people of Mali had been strengthened so as to enhance coordination and follow-up to activities carried out in the context of the strategic framework. In addition, sectoral projects were being implemented in the fields of education, social and health services, justice, population studies, advancement of women, protection of children, environmental action and youth employment. The Government had set up a national solidarity fund and created the Banque malienne de solidarité. The solidarity fund would be used to improve living conditions for all Malians, especially the poor. The bank would grant loans to the poor on more favourable terms than those offered by traditional banks. It would also contribute to the financing of decentralized financial institutions.

73. The strategic framework for the fight against poverty stressed the responsibility of the population for the design, implementation and follow-up to efforts to combat poverty. To that end, the decentralized communities provided an anchor and were strategic tools for implementing and coordinating the actions undertaken. It was expected that, during the period 2002-2004, domestic financing for the strategic framework would amount to 1,180.9 billion CFA francs, while external financing from development partners was estimated at 760.3 billion CFA francs. The total amount of resources from the Highly Indebted Poor Countries (HIPC) Initiative was estimated at 75 billion CFA francs for 2002-2004. A round table of donors would be held in the near future to mobilize resources for the strategic framework.

The meeting rose at 1 p.m.

United Nations A/C.2/58/SR.7

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Summary record of the 7th meeting
Held at Headquarters, New York, on Thursday, 9 October 2003, at 3 p.m.

Chairman: Mr. Raubenheimer (Vice-Chairman) ..... (South Africa)
later: Ms. Cronenberg-Mossberg (Vice-Chairman) ..... (Sweden)

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03-55375 (E)

The meeting was called to order at 3.20 p.m.

Agenda item 98: Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006) *(continued)* (A/58/179, A/58/204 and A/58/72-E/2003/53)

1 **Mr. Ayari** (Tunisia) said that poverty eradication was the greatest challenge facing the international community and was a prerequisite for sustainable development. The gap between rich and poor and the increasing inequality between developed and developing countries represented a serious threat to prosperity, security and stability around the world. Tunisia welcomed the commitment of the United Nations to poverty eradication, a multidimensional task that called for an integrated approach such as the one set forth in the Plan of Implementation of the World Summit on Sustainable Development. That approach stressed the importance of integrating women into economic life and adopting effective sectoral strategies in areas such as education, human resources training, health, rural development, water, sanitation, food security and energy.

2 Tunisia was concerned that progress in the implementation of the United Nations Decade for the Eradication of Poverty had been uneven. Many countries had adopted poverty-reduction strategies with the aim of using their resources to advantage and promoting integrated economic and social development, but they still needed external assistance and international cooperation if they were to attain the Millennium Development Goals.

3 The commitments made by the international community at United Nations conferences and summits should be reflected in concrete measures, particularly in terms of official development assistance, increased flows of foreign direct investment and reduction or cancellation of the debt of developing countries, including middle-income countries. The fundamental problem of farm subsidies and market access was also a problem urgently requiring attention. The breakdown of negotiations at Cancun was regrettable and clearly illustrated the difficulties faced by developing countries in their efforts to gain market access for their exports. Good governance at the international level was crucial to the creation of a favourable global economic environment and the reform of the international economic order with the effective participation of developing countries.

4 The international community had recognized the important role played by microcredit in fighting poverty and the marginalization of the poor. The proclamation of 2005 as the International Year of Microcredit would provide an opportunity for exchanging experiences and best practices in that area. Tunisia supported the draft resolution on that issue that would be submitted by the Group of 77 and China.

5 In Tunisia, the disadvantaged sectors had received support from the State through its social programmes, particularly the national solidarity fund created in 1994. The purpose of the fund, which had been established by the Head of State, was to promote depressed areas, known also as "shadow areas". Those efforts had been successful and at present, the poverty rate was only 4.2 per cent. The World Solidarity Fund established by the Heads of State and Government at the Johannesburg Summit provided a new instrument whereby the international community would be able to contribute towards attainment of the Millennium Development Goals, especially the target of halving the number of people living on less than one dollar per day. The Tunisian delegation hoped that the United Nations Development Programme (UNDP) would operationalize the Fund without delay, establishing a high-level committee to define the strategy of the Fund and mobilizing the financial resources necessary for its operation.

6 **Ms. Hermoso** (International Labour Organization) said that there were some 550 million workers who did not earn enough to keep their families above the poverty line and an estimated 1.2 billion living in extreme poverty. Not surprisingly, therefore, poverty reduction was at the top of the international development agenda.

7 Poverty reduction, social inclusion and social justice were central to the mandate of the International Labour Organization (ILO). The world of work was a critical entry point for achieving those objectives. Progress towards reducing poverty required integrated policies and action on the four pillars that made up the Decent Work Agenda, namely, employment, respect for fundamental principles and rights at work, social protection to improve safety and health at the

workplace and combat social exclusion, and social dialogue.

8. The International Labour Organization supported the statement made by the representative of Peru, who had pointed out that one of the main challenges currently facing the Rio Group was that of growing unemployment, a fundamental cause of poverty. Unemployment was a result of inadequate economic growth, the gap between developed and developing countries and an international trade environment that was unfavourable to developing countries owing to protectionist measures and the drop in external financing.

9. The support of ILO for employment-intensive investment programmes was one example of efforts to show that decent work could be promoted in that context. Those programmes, which had already had positive results in a number of countries, focused on training to promote local private sector development, transparent contracting and payment systems, the development of credit facilities for small and medium-sized enterprises, microfinancing, and capacity building for community-based organizations in the informal economy. In those programmes, practical information on ways to incorporate employment as a criterion for public investment was compiled and disseminated based on experiences in different regions. The fundamental and other standards of ILO, labour protection and social dialogue were introduced in all projects.

10. The International Labour Organization was committed to reducing poverty, promoting decent work and addressing the social dimension of globalization. The conclusions and recommendations of the World Commission on the Social Dimension of Globalization would focus on ways of making globalization inclusive and equitable. The Organization would be working closely with the African Union and other development partners on preparations for the Extraordinary Summit on Employment and Poverty Alleviation, to be held in Burkina Faso in 2004. The Summit offered an unprecedented opportunity to work with the African Union in combating poverty and social exclusion in Africa through Decent Work.

11. **Mr. Gopinathan** (India) said that his delegation associated itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. The annual consideration in the Second Committee of the item on the implementation of the first United Nations Decade for the Eradication of Poverty afforded members an opportunity to take stock of the progress achieved so far, to identify the bottlenecks and to put in place appropriate responses to overcome those bottlenecks. Poverty was multidimensional and expressed itself in the form of hunger, malnutrition, illiteracy and lack of basic services. The challenge for any poverty-reduction policy was to address the issues meaningfully, effectively and in a result-oriented manner. A development strategy was needed that focused on economic growth and included specific programmes designed to address human development issues.

12. The projections by the international financial institutions and development agencies on the prospects for achieving the global poverty-reduction target in the Millennium Declaration, of reducing the proportion of people living in poverty by half by the year 2015 were not very encouraging. Though growth was essential, growth alone would not be enough to reach the goal. The projected growth in per capita GDP would enable only five of the six developing regions to reach the goal for reducing poverty. Africa would miss the target by over 10 percentage points, in fact, the number of people living on less than one dollar a day in Africa would increase.

13. Studies by the World Bank had estimated that an additional $50 billion a year in official development assistance (ODA) alone would be required to meet the Millennium Development Goals. The role of the international community in making available financial resources, transferring technology and providing support for capacity building in the developing countries was crucial. At the Monterrey and Johannesburg conferences, the international community had committed to greater resource transfers by developed countries to developing countries. The commitments that had been undertaken must be translated into concrete actions in the areas of trade, debt relief and aid. Funds that had been pledged should be made available, and further funding commitments should be made so as to reach the agreed ODA target of 0.7 per cent of GNP. India also called for a fair, equitable and non-discriminatory trading system that would address the concerns of the developing countries and ensure enhanced and predictable market access. The enhanced participation of developing countries and a greater voice for them in international economic

decision-making and norm-setting processes would ensure that their concerns were duly reflected and that would contribute towards creating an international environment supportive of development.

14. India had evolved a national poverty-eradication strategy based on the acceleration of economic growth and the provision of basic services to improve the quality of life of the poorer segments through specific and targeted programmes, particularly in the area of job creation and income generation. The success of the strategy was reflected in the fact that the poverty ratio had declined from 38.9 per cent in 1987 to 26.17 per cent in 2000. India planned to reduce the poverty ratio by an additional five percentage points by 2007 and by 15 percentage points by 2012.

15. The report of the Secretary-General indicated that progress in reducing poverty had been mixed, and that many countries were not likely to achieve the poverty-reduction goals by 2015. External assistance and international cooperation were still vital to ensure that the poorest countries achieved the Millennium Development Goals.

16. His delegation took note of the information in the report of the Secretary-General on the importance of microcredit and microfinance in the eradication of poverty and shared the view that microfinance was a useful tool in building the capacities of the poor in management of sustainable self-employment activities and providing them other services such as savings, consumer credit, housing and insurance. His delegation hoped that the activities planned for the International Year of Microcredit would address the issue of funding requirements for capacity building and for the establishment of microfinance institutions in the developing countries.

17. **Mr. Ramadan** (Libyan Arab Jamahiriya) said that his delegation endorsed the statement made by the representative of Morocco on behalf of the Group of 77 and China. The eradication of poverty and hunger should be the basic objective of the international community. In 1992, the United Nations had renewed its firm commitment to that goal by proclaiming the International Day for the Eradication of Poverty. All United Nations conferences and summits that had been held since then had focused on achieving that objective. Thus, in the Millennium Declaration, the international community had undertaken to eradicate poverty and to halve, by the year 2015, the proportion of the world's people whose income was less than one dollar a day and the proportion of people who suffered from hunger. The goal of eradicating poverty had also been stressed at the Monterrey Conference and the World Summit on Sustainable Development. The establishment of the World Solidarity Fund was proof of the firm determination of the international community to eradicate poverty and hunger and promote economic, social and human development in the developing countries.

18. Progress towards attaining the Millennium Development Goals had been slow. In some developing countries, especially in Africa, the number of poor people was expected to increase from 315 million to 404 million between 1999 and 2015. It would be impossible to eradicate poverty without truly sustainable economic and social development that would enable countries to diversify and improve the quality of their products so as to compete on international markets, particularly the markets of developed countries.

19. Donor countries should assume responsibility for providing assistance to developing countries, especially in Africa, so as to help them overcome their difficult economic situation. Official development assistance and flows of foreign direct investment should be increased, debt relief should be provided, and technology transfer should be promoted. The capacities of developing countries should be strengthened so as to enable them to acquire new information and communication technologies and enjoy the benefits of globalization, thus facilitating their integration into the world economy. The developing countries, for their part, should adopt development-oriented national policies and take advantage of their own material and human resources, they should develop their capacities, achieve security and stability, implement appropriate governance measures, eliminate practices that hindered development and attract foreign investment with a view to achieving sustainable economic development, eradicating poverty and hunger and achieving the Millennium Development Goals.

20. The international community should increase its support for activities aimed at eradicating poverty at the national, regional and international levels, and it should fulfil the commitments made at international conferences and summits by implementing the initiatives and programmes adopted, contributing to the World Solidarity Fund and supporting the New

Partnership for Africa's Development. Despite the unilateral sanctions imposed on it for more than two decades, which had caused billions of dollars worth of losses, the Libyan Arab Jamahiriya would never hesitate to support the initiatives of developing countries, especially in Africa. At the national level, the high priority which the Libyan Arab Jamahiriya attached to poverty eradication was evidenced in policies and programmes that had provided social security, universal free education, suitable housing and health care for all its families.

21. **Ms. Ninh Thi Binh** (Viet Nam) said that her delegation associated itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. Poverty eradication was a core issue in the world's development agenda, however, the global poverty situation was still serious, and progress in the implementation of the Decade for the Eradication of Poverty was uneven. Viet Nam was concerned by the fact that 1.2 billion people in the world were still without access to safe drinking water, 42 million people were living with HIV, and a large number of people were hungry, while economic disparity within and amongst nations was increasing.

22. Extraordinary efforts were needed, at both the national and the international levels, to reduce poverty substantially. All donor countries should increase their efforts to reach the target of 0.7 per cent of GNP for official development assistance, promote trade with developing countries and increase investment flows to them. In the same vein, developing countries must be determined to adapt and carry out poverty-reduction strategies and adopt them as their own.

23. Her delegation supported the establishment of the World Solidarity Fund to mobilize more financial resources for poverty eradication and called on the international community, including civil society and the business sector, to make voluntary contributions to the Fund. It welcomed the Secretary-General's proposal on activities for the International Year of Microcredit. Given the role of microcredit in income generation and, in particular, its impact on the lives of women living in poverty, more credit projects should be implemented so as to enhance the participation of women in rural areas.

24. Poverty eradication was the top priority of Viet Nam's development policy. Thanks to the economic reform and its tireless efforts, Viet Nam had made remarkable progress over the past decade, particularly in regard to poverty, which had been reduced by half. The poverty rate now stood at 29 per cent compared with 37 per cent in 1998. The Government of Viet Nam was determined to integrate the Comprehensive Poverty-reduction and Growth Strategy into local development plans and to actively mobilize resources for poverty reduction and economic growth, with priority being given to health care and education for rural and mountainous areas, so as to narrow the gap between different areas in the country. Her delegation reaffirmed the commitment of the Government of Viet Nam to the achievement of poverty eradication, sustainable development and the Millennium Development Goals, and called on the international community to further strengthen development cooperation with and assistance to Viet Nam.

25. **Mr. Ramadan** (Lebanon) said that his delegation associated itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. It was regrettable that the progress made so far in regard to poverty eradication was uneven at the regional and national levels and that, despite the observance of the first United Nations Decade for the Eradication of Poverty (1997-2006), the prospect of achieving the Millennium Development Goal of halving the number of people who lived on less than one dollar a day and those who suffered from hunger was still remote. At the current level of performance, the people of sub-Saharan Africa were not likely to accomplish the goals by 2015.

26. Foremost among the indicators of progress in the implementation of the United Nations Decade was the empowerment of women. His delegation was concerned that while women's share of non-agricultural wage employment had risen globally in the last decade, it had declined in the Middle East. Delivery of safe drinking water was inadequate for 50 per cent of the population in the developing world, and the debt burden on that world was hampering its efforts to alleviate poverty. An approach of good governance nationally through democratic decision making, accountability and transparency, and internationally by the introduction of a fair trading system free of subsidies and barriers combined with increased ODA levels would enable all countries to live up to their Millennium commitments.

27. Lebanon had emerged from a war and a 22-year Israeli occupation that had damaged its material

infrastructure and impoverished its human resources. The eradication of poverty and the achievement of development were especially daunting and overwhelming for the countries of the Middle East under occupation. External assistance and international cooperation were still essential.

28. *Ms. Cronenberg-Mossberg (Sweden), Vice-Chairman, took the Chair.*

29. **Mr. Bossina** (Congo) said that his delegation associated itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. Millions of persons in the developing countries were still living in precarious conditions, subsisting on less than one dollar a day. The General Assembly had proclaimed the first United Nations Decade for the Eradication of Poverty (1997-2006), and in its resolution 57/266, of 20 December 2002, it had reiterated that the Decade should be devoted to achieving the internationally agreed development goals and objectives, including those contained in the Millennium Declaration. However, progress had been inadequate and current results showed that many countries, especially in sub-Saharan Africa, would not achieve the poverty-reduction goals by 2015. According to World Bank estimates, the number of poor people in the region would rise from 315 million in 1999 to 404 million in 2015.

30. Despite the good intentions and the signs of a reactivation of the world economy, the commitments made at different United Nations conferences and summits had not been fulfilled, as evidenced by the ministerial conference of the World Trade Organization (WTO) in Cancun. The situation was even worse in Africa, where the growth rate, except in five countries, was still beneath the 7 per cent needed to attain the Millennium Development Goals, having fallen from 4.3 per cent in 2001 to 3.2 per cent in 2002, according to data supplied by the Economic Commission for Africa (ECA). Hence, it was urgent that the international community should take concrete steps to help the continent eradicate poverty, especially in the context of the New Partnership for Africa's Development (NEPAD).

31. After the tragic armed conflict of 1992-1997, which had destroyed 90 per cent of the country's infrastructure and set it back 25 to 30 years, the Congo was once again on the road to peace and national unity. The country was engaged in a serious economic and social reconstruction effort which had been consolidated over the past six years thanks to a new constitutional framework and the improvement of governance in public affairs and finance. Assistance had been provided by donor countries and international financial institutions, including the World Bank.

32. Among others, the following initiatives had been implemented: an audit of the National Hydrocarbons Company, the conclusions of which were available; the social programme of President Sassou-Nguesso, objective 6 of which was to reduce poverty; the Imboulou hydroelectric project, which would supply power to the southern part of the country; improvement of the drinking water supply in urban centres and outlying areas, including the neighbourhoods around Brazzaville; the rehabilitation of hospitals and construction of new health centres; the creation of a national council to fight AIDS, presided over by the President of the Republic, which was working to change the attitudes and behaviour of the population; and the rehabilitation and furnishing of schools, with special emphasis on teaching staff, in order to make education available to everyone.

33. The Congo needed additional financial resources, as it could not carry out all those projects on its own. His Government would continue cooperating with the Bretton Woods institutions in an effort to reduce the debt and free up resources for productive investment in job creation and poverty reduction. To that end, the Government was drawing up a new document on its poverty-reduction strategy for the period 2004-2015, as well as two triennial poverty-reduction programmes for the periods 2004-2006 and 2007-2009. As stressed recently by his Government in presenting its country report at a meeting of the Board of Governors of the United Nations Development Programme (UNDP), the Congo needed the support and solidarity of the international community to supplement the efforts it was financing with its own resources.

34. **Mr. Hamidi** (Malaysia) said that his delegation supported the statement made by the representative of Morocco on behalf of the Group of 77 and China. Despite the increased awareness of national governments and the special attention given by the relevant United Nations agencies to the need to tackle the problem of poverty, actual progress had been patchy and uneven. Official development assistance levels were still below the minimum levels needed to achieve the Millennium Development Goals. External

assistance and international cooperation were therefore crucial, and developed countries should meet their commitments on ODA obligation; otherwise, it would be impossible to eradicate poverty, even if the developing countries were to utilize whatever domestic resources were available and to apply the best form of governance.

35. Developing countries must have effective market access for their products, and to that end, the developed countries must fulfil their commitments as reflected in the Millennium Declaration, the Monterrey Consensus and the Johannesburg Declaration. They must also act urgently on the question of subsidies for their farm products. The Doha development round negotiations should be resumed as soon as possible.

36. When Malaysia had achieved its independence, almost 70 per cent of the population lived below the poverty line. Rural development and poverty eradication had been the cornerstone of national development planning in the early stages. Thanks to strategies such as the new economic policy, the national development policy, the national vision policy and the Vision 2020 programme, only 7.5 per cent of the population was presently considered poor.

37. Three concepts of poverty had been adopted by Malaysia in its poverty eradication programmes: absolute poverty, where the gross household monthly income was below the poverty line income; absolute hardcore poverty, where the gross monthly household income was less than half of the poverty line income; and relative poverty, which was linked to the notion of income inequality between groups. With those concepts in mind, poverty eradication could be achieved if the following conditions were present: a stable social and political environment that enabled the government to implement poverty eradication strategies and programmes; steady growth in the economy, leading to increased job opportunities and higher incomes; development strategies and programmes that favoured the poor and the vulnerable groups, with special emphasis on agriculture and rural development, education, training, infrastructure development and other social projects; strong support by non-governmental organizations and the private sector for government efforts through programmes such as skills and vocational training, specific programmes to assist the poor, and financial contributions to improve living conditions.

38. The primary responsibility for development rested with national governments. Each country should draw up and implement its own development policies taking into account its own unique circumstances within a favourable political and social environment. However, in some cases, such as that of the developing countries, there was a need for external assistance and support from the international community. Malaysia had benefited in the past from the assistance and cooperation of the United Nations Development Programme (UNDP) and the World Bank in the implementation of its rural development and poverty eradication programmes.

39. The eradication of poverty required collective action at the international level. The United Nations was the primary multilateral forum for coordinating action and mobilizing resources for the World Solidarity Fund. Additional resources might also be derived from a tax on world trade to be contributed to the United Nations, which could be used to tackle the economic ills in developing countries, with a view to reducing and eventually eradicating poverty, as envisaged in the Millennium Declaration.

40. **Mr. Sermoneta** (Israel) said that poverty was a multidimensional phenomenon that was linked to and exacerbated by hunger, disease and illiteracy. Poverty, gender inequality and income disparities were contradictory to the goals of sustainable development; they bred economic expediency and the exploitation of cheap labour rather than promoting the growth of technology-based economies. Furthermore, they brought about unregulated population movements with far-reaching demographic, cultural and political consequences. It was therefore important to promote efforts to provide financial products and services, such as microcredit, to poor people, highlighting the linkage between training and microcredit. Training and skills-enhancement facilitated the achievement of increased levels of initiative and promoted the creation of enterprises that, in turn, could make use of the financial services and tools designed for them.

41. Enabling people living in poverty to establish enterprises contributed to their empowerment and highlighted the importance of the involvement of women in such initiatives. That involvement also promoted an increase in women's participation in the labour force – an important factor in poverty-reduction policies – and helped develop a more gender-sensitive culture of entrepreneurship. It was regrettable that

disparity in the labour market had improved only marginally during the 1990s.

42. The realization of the need to improve the situation had prompted the Centre for International Cooperation of the Israeli Foreign Ministry to design training initiatives for poverty eradication aimed at enhancing women's capacities by developing their business networking and strengthening their role in trade unions and in leadership positions in business and politics at the local and national levels. To mark the International Year of Microcredit in 2005, the Ministry intended to strengthen its programmes for socio-economic development so as to place greater emphasis on the importance of microcredit as an income-generation tool.

43. There was a strong link between women's involvement and good governance. A national environment where democratic governance was strengthened, especially through participatory decision-making and women's participation in all aspects of social and economic life, was conducive to the achievement of growth and poverty eradication.

44. **Mr. Abreha** (Ethiopia) said that his delegation associated itself with the statement made by the representative of Morocco, on behalf of the Group of 77 and China, on agenda item 98. Progress in the eradication of poverty had been lopsided, as not all regions or countries had benefited from it. In Africa, more than 350 million people, over 50 per cent of the population, still lived below the poverty line of one dollar a day. The burden of debt service, weak commodity prices, inadequate resources in terms of official development assistance and foreign direct investment, the vagaries of weather, lack of access to world markets, the HIV/AIDS pandemic and terrorism all hampered the efforts of the African countries to attain the Millennium Development Goals. To meet the goal of poverty reduction, Africa would have to achieve an annual growth rate of 7 per cent by 2015, through a strategy providing for coherence between their own tailor-made development policies and strong support and cooperation from the international community. The New Partnership for Africa's Development (NEPAD), launched by African leaders to reduce poverty and promote sustainable development, would play a significant role in helping to bring about the socio-economic transformation of the continent.

45. Forty-four per cent of the population of Ethiopia lived below the poverty line. Thus, poverty eradication was the central goal of its development activities. The Government had designed a policy framework that included the national sustainable development and poverty-reduction programme and the revised food security strategy for 2002. The overall objective of the Government's poverty-reduction strategy was to reduce poverty while maintaining macroeconomic stability. The strategy was built on a four-pronged approach: industrialization led by agricultural development; reform of the justice system and civil service; decentralization and empowerment; and capacity-building in the public and private sectors.

46. The recent drought-induced food shortage had already put the lives of 14 million people at risk, forcing them to depend entirely on relief aid. The Government had redirected its resources towards urgent and coordinated measures to mitigate the effects of the drought. It had revised the food security strategy to focus on providing extension services, voluntary resettlement, water harvesting, water diversion and income generation, which also contributed to sustainable development. However, as a least-developed country, Ethiopia faced a number of challenges. Good governance through democratization, decentralization and the active participation of the private sector, civil society and local communities, as well as anti-corruption measures, were essential prerequisites to success in the war on poverty and the achievement of the Millennium Development Goals.

47. Ethiopia welcomed the establishment of the World Solidarity Fund, which would help developing countries, particularly the least-developed countries, to alleviate the financial resource gap for their poverty eradication efforts. His delegation supported the proclamation of the year 2005 as the International Year of Microcredit, as that would give impetus to microcredit programmes around the world.

48. **Ms. Gebre-Egziabher** (United Nations Human Settlements Programme (UN-HABITAT)) said that UN-HABITAT strongly supported the report of the Secretary-General and its recommendations, as well as the establishment of the World Solidarity Fund. Rapid rural-to-urban migration was putting a strain on the infrastructure and social fabric of the world's urban centres. In Latin America, 75 per cent of the population lived in urban areas; in Asia, the share was 36 per cent. Africa, however, was an even bigger challenge because

it was the fastest urbanizing continent. 37 per cent of Africans lived in cities, with more than half of the urban population living in slums. UN-HABITAT projections showed that by 2020, Africa would cease to be a rural continent, as over 50 per cent of its population would be in cities and towns. City planning and management systems were unable to cope with the massive population influx, and that would exacerbate the urban slum-housing crisis. Currently, 50 per cent of humanity lived in urban areas. Nearly 32 per cent of the world's urban population lived in slums, and in developing countries, 43 per cent of the urban population were slum dwellers.

49. For lack of alternatives, a significant proportion of the new urban population, especially women, engaged in urban and peri-urban food production, making irrelevant the dichotomy between economic activity in rural and urban areas and their natural division of labour. In the view of UN-HABITAT, development should no longer be cast in separate rural and urban contexts, but rather it should be contextualized in balanced territorial-development terms and integrated rural and urban development strategies.

50. **Mr. Khammanichanh** (Lao People's Democratic Republic) said that his delegation aligned itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China on agenda item 98. Despite the colossal difficulties it faced as an underdeveloped and landlocked country, the Lao People's Democratic Republic had made an all-out effort to reduce poverty. Poverty reduction was the priority goal of its long-term strategy, which was aimed at moving the country away from the ranks of the least-developed countries by 2020. The Government had consolidated its strategic approach to poverty reduction through the national poverty eradication programme.

51. Thanks to the Government's efforts, poverty had decreased substantially over the last decade; the proportion of the population living under the poverty line had declined from 45 per cent in 1992-1993 to 38.6 per cent in 1997-1998, and it was hoped that the poverty level would fall further, to about 30 per cent, in 2002-2003. Given the disparities among different districts, the Government had reoriented its public investment programme to focus on the poorest districts, allocating a greater share of resources to them to ensure their gradual integration into the national economy. The national poverty eradication programme also reflected the Government's firm commitment to reduce the country's dependency on official development assistance through consistent efforts aimed at fostering growth and investment, improving tax administration and promoting all economic sectors, including the private sector.

52. **The Chairman** announced that the Committee had concluded the general debate on agenda item 98.

The meeting rose at 4.45 p.m.

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Chairman : Ms. Cronenberg-Mossberg (Vice-Chairman) ..... (Sweden)

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03-55405 (E)

The meeting was called to order at 10.20 a.m.

Agenda item 92: Sectoral policy questions: preventing and combating corrupt practices and transfer of funds of illicit origin and returning such assets to the countries of origin (A/58/125, A/58/204)

1. **Mr. Vlassis** (United Nations Office on Drugs and Crime) said that although it was impossible to measure the exact extent of transfers of funds of illicit origin, there was no question that corruption and the laundering of the proceeds of corruption had a disastrous effect on international economies and policies. The International Monetary Fund (IMF) had estimated that the total amount of money laundered each year accounted for between three and five per cent of the global gross domestic product and that a substantial share of that money represented the proceeds of corruption.

2. In 2000, when the Second Committee had decided to take a special interest in the problem and to encourage the international community to seek adequate solutions, the General Assembly had adopted resolution 55/61, creating the Ad Hoc Committee for the Negotiation of a Convention against Corruption and the problem of asset recovery had become a key element of the future convention. In 2001, the Assembly had endorsed the recommendations of the Intergovernmental Open-Ended Expert Group to Prepare Draft Terms of Reference for the Negotiation of an International Legal Instrument against Corruption (resolution 56/260) and reaffirmed the importance of asset recovery in such an instrument. Pursuant to General Assembly resolution 55/188, the United Nations Office on Drugs and Crime had undertaken a study of the question and had requested responses from Member States, as well as from other United Nations agencies and from international organizations. At its tenth session, held in 2001, the Commission on Crime Prevention and Criminal Justice had attached priority to the question, and on its recommendation, the Economic and Social Council had adopted its resolution 2001/13, in which it had requested the Secretary-General to prepare for the Ad Hoc Committee a global study on the transfer of funds of illicit origin.

3. It was clear from the different reports of the Secretary-General on the subject, as well as from the global study, that the problem was a complex one, given the nature of the acts involved and the difficulty of dealing with the perpetrators and their status. One of the main conclusions of the reports had been that no matter how difficult or complex the problem might be, it was imperative that the international community should take concerted and decisive action to solve a problem that affected the whole world.

4. In its resolution 57/244, the General Assembly had urged an early completion of the negotiations on a Convention against Corruption to allow for its adoption at the fifty-eighth session. The Ad Hoc Committee had completed it work on 1 October. One of the chapters of the Convention dealt with the recovery of assets derived from acts of corruption, showing that the international community had reached the consensus needed to pursue that goal. The draft Convention included as a fundamental principle the repatriation of assets, and States Parties should offer their full cooperation to that end, particularly with regard to confiscation.

5. **Mr. Benmellouk** (Morocco), speaking on behalf of the Group of 77 and China, said that corruption was a common problem in developed and developing countries alike, but it had different consequences in different cases. Governments could not fight effectively against the phenomenon without the participation of civil society, the private sector and actors on the economic scene. Nor would the fight against corruption be effective without international cooperation. In that regard, he pointed out that at the International Conference on Financing for Development, the heads of State and government had made a commitment to assign priority to the fight against corruption.

6. The Group of 77 and China noted with satisfaction that the Ad Hoc Committee for the Negotiation of a Convention against Corruption had completed its work and that consensus had been reached on the application of simple rules at the national and international levels for returning funds of illicit origin to the countries of origin. They were also pleased that the Mexican Government would be hosting the conference at which the Convention would be

signed, and urged all Member States to participate in that conference.

7. **Mr. Bernardini** (Italy), speaking on behalf of the European Union, said that the Acceding Countries (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) and the Associated Countries (Bulgaria, Romania and Turkey) aligned themselves with his statement. All those countries welcomed the entry into force on 29 September 2003 of the United Nations Convention against Transnational Organized Crime, which included comprehensive measures for dealing with transnational organized crime, including offences related to corruption and money laundering, and requirements for international cooperation in the seizure and confiscation of any property or assets related to the offences covered by the Convention. It would certainly enhance the ability of the international community to combat corruption and the transfer of illicit funds. The European Union also welcomed the conclusion of negotiations on a Convention against Corruption, which would give States Parties an arsenal of provisions for strengthening their ability to combat corrupt practices.

8. The adoption of those instruments was essential since the increasing financial interdependence of international financial markets made them vulnerable to criminal activities. International collaboration had been intensified through existing forums and organizations, such as the G-8 finance ministers, the Organization for Economic Cooperation and Development (OECD), the World Bank, the International Monetary Fund (IMF) and the Financial Action Task Force on Money Laundering (FATF). The fight against corruption had to be brought to the attention of the pertinent United Nations bodies and placed in the broader context of a coherent and sustainable approach to development. In that context, the European Union welcomed the work carried out by the United Nations Office on Drug and Crime (UNODC), in particular the Global Programme against Corruption, a very important initiative aimed at elaborating strategies to fight corruption internationally, through shared experience with international experts and practitioners.

9. **Mr. Stanislavov** (Russian Federation) said that his delegation was pleased that the Ad Hoc Committee for the Negotiation of a Convention against Corruption had completed its work. The draft Convention took into account many concerns of the international community regarding the problem of corruption, and the Russian Federation was prepared to cooperate on those issues. His Government attached great importance to the principle of the repatriation of funds of illicit origin and believed that no effort should be spared to implement such measures.

10. The Russian Federation had taken steps in the administrative, political and legislative spheres to combat corruption. In 2001, it had enacted a federal law on the prevention of money-laundering. In 2002, a presidential decree had been issued establishing general principles on the ethical behaviour of officials. In 2003, the Duma had passed a bill on the fight against corruption. A national programme and plan of action against corruption were being drawn up. The efforts of the Russian President and Government to combat corruption had been recognized by the international community; accordingly, the Russian Federation had become a member of the Egmont Group and of FATF.

11. **Mr. Lolo** (Nigeria) said that his country endorsed the statement made by the representative of Morocco on behalf of the Group of 77 and China. Given the many obstacles that hampered the fight against corruption and efforts to recover assets, as described in the Global study on the transfer of funds of illicit origin, especially funds derived from acts of corruption (A/AC.261/12), he urged governments that had not yet done so to take measures to prevent corruption and draw up a code of ethics for the public and private sectors, as well as rules on procurement, financial management and financing of political parties. In order to be effective, such measures should be harmonized with others at the national, regional and international levels.

12. Nigeria had some reservations about the recommendations included in the report of the Secretary-General (A/58/125) concerning the return of funds. It was unthinkable that States should need a financial incentive to collaborate in the recovery of funds. Given the connection between dirty money and the financing of terrorism, arms purchases and the financing of domestic conflicts, there was good reason to believe that the international community would work in harmony to fight that threat without the need for a financial incentive. Nigeria feared that if the recovery of funds of illicit origin was contracted with private

companies, that would inevitably give rise to a market that would encourage corruption and profiteering.

13. Furthermore, Nigeria was not convinced that recovered funds should be allocated to servicing national debt. Those funds would be better used in areas such as education, water distribution, health services, infrastructure and poverty eradication. After all, did not some of those funds represent commissions paid for government procurement, the embezzlement of funds earmarked for social and other services and mismanagement of national resources? His remarks should not be construed to mean that Nigeria was opposed to the participation of governments, civil society and the private sector in the recovery of funds and assets of illicit origin. His country looked forward to the conference to be held soon in Mexico for the purpose of signing the United Nations Convention against Corruption.

14. **Mr. Lovald** (Norway) said that corruption was a global problem with political and social consequences that hindered economic growth, especially in the developing countries. It must be fought by all means in order to halve the share of the world's poorest by 2015. Norway was prepared to do its share in the effort, but no country could overcome corruption nationally; international cooperation was imperative. The United Nations Convention against Corruption was a necessary framework for better coordinated action to combat the multifaceted problem, including private sector corruption, and to repatriate illicit funds. Norway urged all States to do their utmost to ratify the Convention and, to ensure that it did not remain merely fine words, to implement the necessary follow-up mechanisms.

15. **Mr. Balarezo** (Peru), speaking on behalf of the Rio Group, said that corruption not only undermined society, democracy and institutions, but it also hindered the mobilization and utilization of resources, as well as social, economic and political development. It was a transnational and multidimensional phenomenon that spared neither the developed nor the developing countries; it ate away at the public and private sectors and held in its claws both those who promoted corruption and those who allowed it or were accomplices to it. It must be resisted on all fronts. Governments, international organizations, non-governmental organizations and civil society must cooperate with each other and give each other a hand in facilitating the return of assets of illicit origin to the countries of origin and prosecuting all those who were guilty of embezzlement, even if they were eminent public or private personalities. They must ensure that the rule of law and democratic values prevailed.

16. The United Nations Convention against Corruption, which was based on the principles of international law, constituted a valuable weapon, since it provided for mutual juridical assistance in connection with criminal prosecution and rapid extradition. It also introduced innovations, particularly on the issue of asset recovery. The members of the Rio Group strongly urged all Member States to ratify the Convention so as to ensure that it would enter into force as soon as possible.

17. **Mr. Muchemi** (Kenya) said that Kenya aligned itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. Only international cooperation could promote the good governance in public affairs and proper management of businesses that were essential to economic growth, sustainable development and poverty eradication.

18. Corruption, which was omnipresent in Africa, kept the continent on the brink of economic development and locked its inhabitants in the infernal cycle of poverty. Having no boundaries, it gnawed away at civil servants and private citizens and called into question the sense of responsibility of developed countries.

19. Given its transnational reach, corruption went hand-in-hand with other evils such as drug trafficking, money-laundering and terrorism. It jeopardized democracy in Africa by giving politicians of shady character the means to manipulate the political, social and economic scene, to the detriment of their people.

20. The persons responsible for such crimes must be unmasked and brought to justice, and their ill-gotten gains must be returned to the countries of origin. The fight against corruption must be fought everywhere and by everyone, both governments and international organizations, both private sector and civil society.

21. Kenya was indeed fighting its own war. Thus, under the Anti-Corruption and Economic Crimes Act (2003), the Government had set up special courts to consider cases of corruption. The new Anti-Corruption Commission was responsible for investigating cases of corruption and prosecuting those responsible, as well as for implementing anti-corruption programmes. The

Anti-Corruption Advisory Board, which was made up of personalities known for their integrity, advised the Government on corruption-related issues and oversaw the work of the Commission. The Act also included provisions for compensating the victims of fraudulent acts and for recovering the proceeds of corrupt practices or economic offences.

22. Under the Public Officer Ethics Act, officials were required to observe a code of ethics and to submit yearly declarations stating their income, assets and debts.

23. Kenya had launched the Public Sector Integrity Programme to make public officials aware of the consequences of corruption, to provide them with strategies for fighting corruption and to give them the necessary skills to help prevent corruption. Corruption Prevention Committees had been set up throughout the public sector.

24. The report of the Integrity and Anti-Corruption Committee of the Judiciary, which was responsible for investigating the extent of corruption in the judiciary, would enable the Government to make the necessary changes to eradicate all forms of corruption and fulfil its role on the international scene.

25. Kenya had high hopes for the United Nations Convention against Corruption, which would be a valuable tool for pursuing the battle against corruption.

26. **Mr. Empole** (Democratic Republic of the Congo) said that his country endorsed the statement made by the representative of Morocco on behalf of the Group of 77 and China. Because of its global scope, corruption could destabilize the international financial scene and compromise the social, economic and political development of all States. It was destructive both in its causes (poverty, bad governance, armed conflict and others) and in its consequences (terrorism, trafficking of arms, drugs and people, money-laundering and others). Corruption must be fought relentlessly at the national, regional and international levels.

27. In the context of its own struggle against corruption, the Democratic Republic of the Congo had created a national commission against corruption, fraud and smuggling, as well as against the counterfeiting of money and of registered trademarks.

28. To put an end to money-laundering, which was inextricably tied to corruption, the Government had set up a special group to study the problem. It had also prepared two draft bills aimed at fighting money-laundering and the financing of terrorism, and had issued instructions for financial establishments concerning regulations for combating money-laundering.

29. The Democratic Republic of the Congo had signed the Anti-Corruption Protocol of the Southern African Development Community and was preparing to ratify the United Nations Convention against Transnational Organized Crime.

30. Nevertheless, his country, which was still suffering the aftermath of the war, needed the help of the international community in pursuing its fight against corruption.

31. Assets of illicit origin should be returned to the countries of origin in order to enable those countries to consolidate their economies and pursue their development programmes. In more general terms, in order to fight corruption and the transfer of funds of illicit origin, it was essential to strengthen national laws and regional and international cooperation in fighting corruption and organized crime. Countries whose assets had been plundered should be able to recover them, cooperation between public authorities and non-governmental organizations should be strengthened, and they should be provided with additional means, seminars and sensitization and educational campaigns should be organized, so as to instruct the public about the problem, and the Financial Action Task Force on Money Laundering (FATF) should be expanded.

32. **Mr. Cano** (Nicaragua) said that his delegation aligned itself with the statement made by the delegation of Morocco on behalf of the Group of 77 and China, as well as the statement made by Peru on behalf of the Rio Group.

33. To a large extent, the improper use of State resources for personal gain was responsible for the poverty that had burdened Nicaragua for much too long. The country was determined to engage in a relentless fight against corrupt practices, but it needed technical assistance in order to train its personnel and its institutions for that task. To regain the confidence of investors and to speed up its development efforts, Nicaragua had chosen moral renovation, honesty, transparency and sense of responsibility as its by-words.

34. Nicaragua had drawn up a national plan to promote integrity that was aimed at gradually but systematically reducing the causes and the manifestations of administrative corruption and related practices. It was improving mechanisms for encouraging the participation of civil society, with a view to bringing about a cultural transformation and ensuring transparency and efficiency in the daily conduct of public affairs.

35. Nicaragua was also a party to several international treaties on corruption, including the United Nations Convention against Transnational Organized Crime, the Central American Convention on the Prevention and Repression of the Laundering of Money and Other Assets from Illegal Drug-trafficking and Related Crimes and the Inter-American Convention on Mutual Assistance in Criminal Matters.

36. Nicaragua congratulated the Ad Hoc Committee for the Negotiation of a Convention against Corruption for its two years of intensive work. The Convention, which dealt with matters relating to the prevention and suppression of corruption, the illicit transfer of funds and the repatriation of assets, would undoubtedly help ensure that democratic values prevailed and would encourage social, economic and political development in all countries.

37. **Mr. Hiraj** (Pakistan) said that his delegation would like to associate itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China.

38. Corruption, including the transfer of funds of illicit origin, was an evil which threatened the peace and prosperity of societies around the globe. It was a pervasive phenomenon which afflicted both the developed and the developing countries. The degree of corruption and its impact, however, varied. In many developing countries, it was a constant drain on their meagre resources and the cause of further impoverishment and indebtedness.

39. Pakistan had taken a number of measures to prevent and fight corruption. A process has been set in motion, through the National Accountability Bureau, to ensure that not only Government institutions and functionaries but also all elected representatives and the private sector remained accountable to the people. Measures had been adopted to enhance the rule of law and financial regulations.

40. The importance of taking firm action at the national level could not be overemphasized. However, without firm supportive action at the global level, national efforts were not likely to achieve the desired results. The international community must take action, particularly in three areas: (1) measures to prevent transnational corruption through denial of opportunities, (2) effective mechanisms to repatriate illegally acquired money to the countries of origin, (3) repatriation or prosecution of people indicted for corrupt practices in their home countries who were residing elsewhere.

41. Pakistan firmly believed that the United Nations provided an appropriate forum for initiating global action to address the menace of corruption and transfer of illegally acquired funds. In that context, it had strongly supported the initiation of negotiations on a United Nations Convention against Corruption and had actively participated in the work of the General Assembly's Ad Hoc Committee for the Negotiation of a Convention against Corruption. He was pleased to note that the Committee had successfully completed its work and that the draft instrument it had finalized enjoyed the consensus of the United Nations membership. Pakistan hoped that the signing of the Convention would usher in a new era of international cooperation to fight corruption leading to the recovery of illegally acquired money and assets and their return to the countries of origin.

42. Pakistan would like the international community to support its efforts, inter alia by: (1) preventing easy access and safe havens for illegally acquired money and assets in the form of offshore financial centres, "anonymous accounts" and secrecy laws; (2) assisting in investigation and prosecution of corruption-related offences and tracing and recovery of proceeds of corruption and of their repatriation to the country of origin; (3) cooperating on issues relating to disclosure of information, integrity in politics, corporate governance, and transparency in and sharing of information on international monetary transactions.

43. **Mr. Siv** (United States of America) said that it was encouraging that the work of the Second Committee, where many governments, as well as the Secretariat, had provided interesting and useful ideas about how best to prevent corruption and encourage international cooperation in the area of asset recovery was now supported by a new draft United Nations Convention against Corruption. The Convention

represented a breakthrough on the agenda item that would hopefully lead to effective action and results. The United States had been an active participant in the negotiations organized under the auspices of the United Nations Office on Drugs and Crime. The outcome of those efforts was a document that contained a chapter devoted to measures governments would commit to take to prevent corruption and another chapter to innovative measures for expediting the asset recovery process among nations. A number of recommended measures in the report – such as providing enhanced scrutiny of accounts and enforcing valid foreign judgements – had been incorporated in the text. The United States hoped the Convention would soon become an international agreement with legal force.

44. **Mr. Wirengjurit** (Indonesia) said that his delegation aligned itself with the statement made by the representative of Morocco on behalf of the Group of 77 and China. Corruption was one of the most serious threats against democracy. The embezzlement of funds earmarked for poverty eradication and sustainable development created serious obstacles to the effective mobilization of resources. It was therefore imperative to prevent and suppress corrupt practices. Since corruption was a multidimensional problem that involved relations between public and private entities, the problem could not be dealt with on a single front. All those responsible must be stopped. Accordingly, the issue of governance must be addressed, taking into account not only public institutions but private-sector entities as well.

45. The fight against corruption was a top priority for Indonesia. In order to combat crime and corruption, the Government had taken steps to strengthen legislation and enhance the management of public affairs while protecting the economic and social interests of the population. In that regard, the following legislation had been enacted: Act No. 31/1999 (subsequently amended by Act No. 20/2001), Act No. 30/2002 and Act No. 15/2002; those laws dealt with the elimination of corruption, the creation of an anti-corruption commission, and the fight against money-laundering and the financing of terrorism, as well as an independent financial information unit to fight money-laundering.

46. Indonesia strongly believed that corruption was not simply a local or a national problem, but that it had many transnational ramifications. International cooperation was needed, and such cooperation should be based on a global and multidisciplinary approach stressing the fight against corruption and the recovery of assets of illicit origin and their return to the countries of origin. His Government was participating in that process. Cooperation should include technical assistance to countries to help them draw up strategies for integrating a code of ethics and principles of integrity into the public and private sectors, and strengthening human and institutional capacities. Indonesia was pleased that the Ad Hoc Committee for the Negotiation of a Convention against Corruption had completed its task. His delegation also noted with satisfaction the entry into force of the United Nations Convention against Transnational Organized Crime.

47. **Mr. Sermoneta** (Israel) said that Israel attached high priority to the fight against corruption, including the transfer of funds of illicit origin and the funnelling of public funds and donor money to private hands. Such crimes could endanger the stability and security of societies and undermine the values of democracy, morality and the rule of law. The illicit acquisition of personal wealth by senior public officials could be particularly damaging to national economies and could jeopardize social, economic and political development. Promotion of international standards for transparency, accountability, integrity and good governance were therefore of the utmost importance. Those concerns were highlighted in the findings of the Global study on the transfer of funds of illicit origin (A/AC.261/12), as they appeared in the report of the Secretary-General (A/58/125). Corruption by the leaders of unaccountable regimes was particularly abhorrent because it stole resources from the very people those leaders were supposed to serve and made it extremely difficult for societies to emerge from despair, poverty and conflict.

48. The prospect of ratification of the United Nations Convention against Corruption constituted a significant step forward in the fight against international crime. Israel had been pleased to work actively with other delegations on the formulation of the draft and was ready to take part in the international efforts to achieve the goals of the Convention on the basis of due process of law. From Israel's perspective, the most significant breakthrough of the proposed Convention was the inclusion of the principle of returning funds obtained as a result of bribery or embezzlement to their country of origin. Israel supported the addition of future provisions to the Convention that would permit States Parties to prosecute not only those who had committed

acts of bribery and embezzlement in another State, but also in cases in which such acts had been committed against an international organization. Privileges and immunities were granted to international organizations in order to enable them to fulfil their duties and should not be abused. International organizations had their own legal personality and, as such, it was their duty to fight corruption. That duty was separate from and additional to the duties of its Member States. Thanks to its comprehensive and multidisciplinary approach, the new draft Convention presented an opportunity for greater cooperation not only among States Parties but also between them and international organizations. It was only through such full cooperation that significant results could be achieved.

49. **Mr. Ramadan** (Lebanon) said that his delegation supported the statement made by the representative of Morocco on behalf of the Group of 77 and China. Corrupt practices and the transfer of funds of illicit origin jeopardized the stability and security of societies, undermined democratic values and compromised the right of developing countries to sustainable development by depriving them of the modest resources available to them. In the fight against corruption and the transfer of funds of illicit origin, countries must coordinate their efforts at the national and international levels. Legislation should be harmonized at all levels in order to prevent such practices, promote cooperation among States and ensure good corporate governance in an interdependent world that was dominated by giant multinational companies.

50. Lebanon had complied with the requirement of General Assembly resolution 56/186 by submitting a detailed report on progress made in the implementation of the resolution. The Lebanese Penal Code established acts of corruption as offences liable to sanctions and required the confiscation of movable and immovable property derived from such acts. The law on illicit enrichment covered public officials or persons acting in the name of such officials where the enrichment accrued through bribery, trading in influence or by other means. Money-laundering was defined and sanctioned by Law No. 318. Lebanon was also a party to the United Nations Convention against Transnational Organized Crime and had participated in the negotiations on the drafting of a convention against corruption.

51. In conclusion, he informed the Committee that the earlier listing of Lebanon as a "non-cooperative country or territory" by the Financial Action Task Force on Money Laundering of the Organisation for Economic Cooperation and Development had been rescinded by the Task Force in June 2002 as a result of measures taken against money-laundering and related problems by Lebanon.

52. **The Chairman** said that, before closing the debate on agenda item 92, she would like to ask the representative of the United Nations Office on Drugs and Crime to inform members of the status of the new United Nations Convention against Corruption.

53. **Mr. Vlassis** (United Nations Office on Drugs and Crime) said that the highly favourable responses received from many delegations expressing their support for the new draft Convention augured well for the follow up to the process. The text of the Convention that had been drawn up by the Ad Hoc Committee would be submitted to the General Assembly at a plenary meeting. Once it was adopted by the Assembly, Mexico would host the High-level Political Conference for the Purpose of Signing the United Nations Convention against Corruption, to be held in Merida from 9 to 11 December. The procedure would be similar to the one followed for the signing of the United Nations Convention against Transnational Organized Crime. The ratification process would begin after the Convention was opened for signature. Thirty ratifications were needed in order for the Convention to enter into force. Given the support that had been shown for the instrument, there was every reason to expect ratification to proceed smoothly. After that, the implementation mechanism (Conference of the Parties) would become operational, marking the beginning of a new era of enhanced cooperation among countries in order to prevent and combat corruption.

54. **The Chairman** announced that the Committee had concluded its discussions on agenda item 92.

The meeting rose at 12 p.m.